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NEWS SUMMARY

GENERAL

Rhodesia forces kill seven guerrillas

Rhodesian forces killed seven guerrillas in the first major clash since the ceasefire came into effect two weeks ago.

The seven, believed to be from Joshua Nkomo's Zipra wing of the Patriotic Front, were said by British authorities to have refused to lay down their arms and move to assembly places.

British authorities say the Rhodesia forces were acting under the terms of the ceasefire *and the authority of the* Governor, Lord Soames. **Bond arrears, Back page; Guerrilla alliance, Page 2**

N-plant closed

Dungeness 'A' nuclear power station, Kent, is to be shut down this weekend for inspections following the discovery of welding faults in one of the twin reactors. **Page 3**

Conference blow

Ian Paisley, main Unionist delegate at the Northern Ireland constitutional conference, said his Democratic Unionist Party would not attend a second set of talks proposed by Ulster Secretary Humphrey Atkins. **Page 3**

Kidnap probe

Dublin police expected to detain more men for questioning over the kidnapping of bank manager's wife Noreen Scully and her two daughters. Her husband paid a £30,000 ransom, and so far six men have been held.

Iran clashes

Clashes between supporters of Iran's two leading clergymen broke out in the north-western city of Tabriz. Several people were injured in gun battles between followers of Ayatollah Khomeini and Ayatollah Shariat-Madari.

Kelly jury

Merseyside Coroner Ronald Lloyd said a jury would decide how labourer James Kelly, 53, died while in police custody. The inquest resumes in March, and the announcement comes *after the Home Secretary's* rejection of calls for a public inquiry.

Meany dies

George Meany, head of the largest labour organisation in the U.S., died in Washington, aged 85. **Obituary, Page 2**

Portugal pledge

Portuguese Premier Francisco Sa Caneiro opened a five-day debate on his Government's programme, pledging moderation and calling on the political parties to work together for national reconciliation.

29 feared dead

Air and sea search found no trace of 29 people from a Greek freighter which sank suddenly off Japan. The Agios Giordis was sailing from Los Angeles, *and sank nearly 600 miles east* of Tokyo.

World record

Lloyd's underwriter David Springbett, 41, arrived in London after travelling round the world on scheduled flights in 44 hours six minutes, breaking the previous record by nine hours 28 minutes.

Briefly . . .

Corsican separatists released 10 hostages from an Ajaccio hotel. **Page 2**

Sextuplets born in Florence *were all expected to live.*

Sealink car ferry Hengist and a Spanish cargo ship collided off Calais.

Moors murderer Myra Hindley gained an Open University BA degree in humanities at Durham jail.

BUSINESS

Gold up $23 but £ slips; $ firm

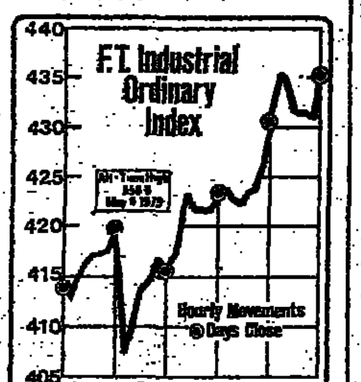
● **GOLD** rose $23 to $623.50 in London.

● **DOLLAR** firmed slightly in quiet trading to DM 1.7210 *(DM 1.7165)* and SwFr 1.5830 (SwFr 1.5790). Against the yen it rose to Y 236.00 (Y 235.70) and its index rose to 84.4 (84.3).

● **STERLING** weakened to $2.2570 ($2.2595) but its index rose to 71.0 (70.9).

● **GILTS** again *rose and another* Government stock issue of £1.1bn was exhausted as happened on Thursday. The *FT* Government Securities index rose 0.97 to 66.80.

● **EQUITIES** were marginally firmer. The FT 30-share index was up 4.4 at 435.2 for a rise on the week of 21.3.



● **WALL STREET** was 0.94 higher at 859.90 shortly before the close.

● **U.S. MONEY SUPPLY:** *M1* $383.1bn ($383.0bn); and M2 unchanged at $954.1bn. The figures are broadly in line with forecasts.

● **SOUTH KOREA** is about to announce an important economic policy package, including a 20 per cent devaluation of its currency. **Page 2**

● **TWO OF THE CITY'S** best known investment bankers, Mr. David Montagu and Mr. John Carven, are joining the Merrill Lynch international banking group. **Back Page**

● **SENIOR TREASURY** *official* appointments include Mr. Bill Ryrie as Permanent Secretary in charge of the domestic economy. **Page 3**

● **NEW COAL MINE** development in the Vale of Belvoir is vital for Britain's future fuel supplies, the public inquiry of the plan has been told by the coal and power generating boards. **Page 4**

● **STEELWORKERS'** union chief Mr. Bill Sirs said his members were now thinking in terms of a 20 per cent settlement as the price for ending their strike. **Back Page**

● **CIVIL SERVICE** unions have warned of industrial action if the Government tries to circumvent the pay comparability system by adhering to cash limits. **Page 4**

● **BRITISH AIRWAYS** yesterday cancelled 21 flights because of action by maintenance engineers over pay. **Page 4**

COMPANIES

● **ASSOCIATED NEWSPAPERS** *group pre-tax earnings* for the year to September 30, 1979, were £39.97m against £15.46m previously. **Page 20**

● **THORN ELECTRICAL** Industries pre-tax profits for the half-year to September 30, 1979, declined to £51.3m (£54.3m) despite higher turnover of £617m (£581m). **Page 20**

● **THOMSON NEWSPAPERS** has raised its bid for F. P. Publications to C$158.8m, topping by about C$10m the recent bid by Howard Webster. **Page 23**

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES:		
Treas. 15¼pc 1998 £110¾		+ 2¼
Exch. 12pc 1999-02 £85¼		+ 2¼
A. B. Electronic	148	+ 14
Arrow Chemicals	96	+ 12
Assoc. Newspapers	285	+ 16
BATs Defd.	251	+ 8
Bank of Scotland	305	+ 17
Cater Ryder	288	+ 13
Cawoods	150	+ 8
Chemring	111	+ 16
Daily Mail A	478	+ 25
Dalgety	281	+ 12
Eurotherm	300	+ 12
Friedland Doggart	126	+ 15
Kwik Save	115	+ 7
Land Secs.	270	+ 6
Leigh Interests	132	+ 14
ML Holdings	215	+ 12
Magnet & Southerns	140	+ 10
Myson	59	+ 5½
Perry (H.)	134	+ 8
Rush & Tompkins	130	+ 12
Sainsbury (J.)	303	+ 10
SASOL	175	+ 13
Stroud Riley	42	+ 6
Time Products	66	+ 8
Titaghuar Jute	47	+ 17
LASMO	380	+ 30
Barlow Holdings	100	+ 12
Anglo Amer. Gold	£40¼	+ 2¼
Broken Hill S.	236	+ 16
Central Pacific	£20¼	+ 2
Impala Platinum	260	+ 15
Libanon	914	+ 129
Monarch Petroleum	26	+ 6
Paringa	76	+ 6
S. African Land	232	+ 22
Vlakfontein	133	+ 23
Western Holdings	£24¼	+ 1½
FALL:		
Kitchen Queen	34	− 6

British Gas to raise domestic charges by 29% this year

BY RAY DAFTER, ENERGY EDITOR

British Gas intends to raise the price of supplies to domestic customers by almost 29 per cent this year. The Government has told the corporation to increase domestic tariffs by 17 per cent on April 1 and by a further 10 per cent on October 1.

Industrial and commercial customers buying gas on tariff will pay an extra ten per cent on April 1.

Discussions on the proposals are taking place between the corporation's regional boards and the various area consumer councils.

Consumer representatives are being told that the corporation has still to decide on how the increases will be implemented and weighted. However, the Energy Department has told British Gas that it must introduce much higher tariffs to bring natural gas prices more in line with competitive fuels, particularly oil.

In the past year the Gas Corporation has been swamped with requests for new supplies from householders and the commercial sector.

Sir Denis Rooke, British Gas chairman, has attributed this unprecedented demand to the "flight from oil" caused by the uncertainty of supplies and fast rising oil product prices.

The corporation has been unable to meet the demand, and as a result has halted its marketing campaign.

The increase will inevitably boost the Corporation's profitability. Even with price controls, British Gas made a record pre-tax profit of £360.7m on a turnover of £2.97bn in the 1978-79 financial year. In the next few years its profitability could well rise to over £1bn.

The Government is considering how to handle future profits, and possibly to raise gas prices even higher to bring them nearer the cost of other fuels.

At present the corporation is depositing its excess cash with the National Loans Fund. British Gas would like this scheme to continue.

A number of other proposals are being discussed in Whitehall. They include a special tax on gas supplies, an unlikely measure at this stage, for apart from hitting consumers even harder it would add to the country's inflation rate.

Alternatively the Government could impose a special fuel levy on at least part of the corporation's expected profits.

The money raised in this way could be used to reduce the *Public Sector Borrowing* Requirement, assist less prosperous energy sectors, such as coal, or fund energy conservation measures.

The Energy Department has been considering the possibility of imposing some form of well-head tax on British Gas, especially on some of the older fields.

As a result of established contracts these fields are yielding natural gas for the Gas Corporation at prices well below the cost of supplies from oilfields or more recently exploited gas fields.

A producers' tax, similar to the oil industry's Petroleum Revenue Tax, would *automatically raise the corporation's* costs and thus reduce its profit margin.

Which if any of these schemes

Continued on Back Page

EEC halts all butter exports to Russia

BY JOHN WYLES IN BRUSSELS

THE EUROPEAN Commission has temporarily halted all exports of butter and buter oil because of indications of heavy buying by the Soviet Union and its allies in Eastern Europe.

Although the Commission was at pains last night to stress that its actions were prompted in the main by the desire to halt possible speculation in the markets for these products, some member states may well view it as a political gesture of support *for the U.S.* embargo on the sales of a range of agricultural goods to Russia.

While the Nine as a whole are generally agreed that nothing should be done to undermine President Carter's curbs on U.S. grain sales to the Soviet Union, they have not yet formally endorsed the Commission's approach that exports of other products to Russia and Eastern Europe should not exceed average levels of recent years.

Next Tuesday's meeting here at the Foreign Ministers' Council should reveal whether the Nine are fully behind the Commission or whether France's scepticism about the value of economic reprisals against Russia's Arghanistan invasion is shared by others.

Mr. Norman Hillier-Fry, Britain's Ambassador to Afghanistan, flew to Delhi yesterday He will go on to Islamabad, where he will have talks on Monday with Lord Carrington, the Foreign Secretary, who will be visiting Pakistan.

The Commission's action was triggered by a larger than usual demand during the past few days for butter and butter oil. In the case of butter this was signalled by requests from exporters for "pre-fixation" of export refunds guaranteeing them a rebate on future sales to cover the difference between high \EEC prices and lower world prices.

Information on butter oil exports reaches Brussels only after the event and this week the Commission has learned of sales of 31,000 tonnes of butter oil to Eastern Europe. Usually sold to the developing world, butter oil makes milk when mixed with milk powder. The suspicion here is that the Soviet Union may be trying to cover itself against the consequences of slaughtering some of its dairy herd because of a shortage of feedstuff following the American grain embargo.

Export rebates on EEC butter oil have now been suspended as has the granting of pre-fixed prices for butter exports.

Some exporters, apparently, refused to reveal the destination of the butter and the Com*mission is deeply suspicious* that a large proportion was bound for Russia. As a result it has limited exports to 10,000 tonnes.

Islam's crisis conference plan, Back Page

All-out water strike threatened

BY PHILIP BASSETT, LABOUR STAFF

WATER AND sewerage workers in England and Wales appear to be heading for an all-out strike.

Delegates representing more than 20,000 manual workers in the industry voted unanimously yesterday for a total strike if the employers fail to improve their 13.1 per cent pay offer.

A national strike, which would be this industry's first, could very quickly create a serious health hazard by disrupting supplies and services.

Some Ministers consider the threatened action by the water workers as even more damaging than a lengthy steel strike. Whitehall officials yesterday *described the prospect of a* national strike in the industry as "horrifying."

It would almost certainly force the Government to declare a state of emergency so that water authority equipment could be operated by the Forces. It was reported yesterday that government contingency plans for dealing with a major dispute involve the deployment of 15,000 troops.

Although Government officials and the employers' body, the National Water Council, stressed yesterday that industrial action was still some distance away, feeling is running high among workers.

This was illustrated by the unanimity of the vote by delegates of the normally moderate General and Municipal Workers' Union, the largest in the industry.

A meeting in London yesterday of 39 shop stewards and 10 full-time officials approved a recommendation which will now go to the national executive, saying that unless the employers resumed negotiations on the basis of an outstanding claim for comparability with the gas and electricity supply industries there would be a "total stoppage of work.'

The internal comparability study, which shows a differential of 18-20 per cent, or about £10 a week across the board, has been carried out and agreed by both sides. Mr. Eddie Newall, GMWU national industrial officer, said the employers were now ognoring the cash value of the study, "possibly because of political pressures."

He reported the conference's decision yesterday to Mr. David Basnett, the union's general secretary, and will now seek a meeting with the other two main unions in the industry

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For latest Share Index phone 01-246 8026

Second sell out of tap stock

BY DAVID MARSH

DEMAND FOR Government bonds picked up further momentum yesterday with the exhaustion of the second gilt-edged tap stock. In spite of City hopes that this week's fall in long term bond yields would spur an early fall in bank interest rates, there is still, however, little chance of an early reduction in the Minimum Lending Rate.

The early morning sell-out of the £1bn short dated tap stock, issued this week, 14 per cent Treasury 1984, took the total volume of new Government bonds sold over the past two days to about £1.5bn. Following the on Thursday of the long term tap, 14 per Treasury 1998-2001, the market will be operating without a regular tap stock next week.

To ease pressure on the money market caused by the gilt-edged sales, the Bank of England last night announced the temporary release of about £1bn of special deposits held at the central bank by the banking system.

The special deposits ratio will be reduced from two per cent to nil effective from next Wednesday. The rate will be raised to one per cent on February 8 and to two per cent on March 7.

A temporary release of liquidity by the authorities, through the special deposit mechanism, has been used in the past to help finance a burst of bond sales, and does not imply any change in monetary *policy.*

Because of this week's buying, long term yields of the gilt market are down to around 14.5 per cent from over 15 per cent.

Long dated stocks made gains of up to 2.25 points yesterday after expectations by some brokers of a new tap stock were *not fulfilled.*

The non-banking public's rush for Government stock will improve the money supply figures for the January banking month

Bank of England figures last week suggested that the annual rate of expansion of the broadly defined money supply, sterling M3, has been around 11.5 per cent since June, down to almost the official target of 7 to 11 per cent.

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Money Markets, Page 25
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£ in New York

—	Jan. 10	Previous
Spot	$2.2510-2525	$2.2645-2660
1 month	0.54-0.49 dis	0.61-0.56 dis
3 months	1.32-1.27 dis	1.26-1.17 dis
12 months	4.25-4.15 dis	4.85-4.15 dis

Honda to build car assembly plant in U.S.

BY RICHARD HANSON IN TOKYO AND IAN HARGREAVES IN NEW YORK

HONDA MOTOR, which recently entered into a car production agreement with BL, will become the first Japanese motor company to build a car assembly plant in the U.S.

The move comes at a time when lay-offs in the U.S. motor industry have reached more than 200,000. It follows intense U.S. Government pressure on Tokyo to cut car exports and undertake instead direct investment in the American car industry.

Ford Motor, which lost its second place ranking in the U.S. car sales league last year to the combined importers, announced the permanent closure yesterday of its Los Angeles plant for manufacture of large cars, with the loss of over 1,700 jobs.

Construction of Honda's plant, with a capacity of 10,000 units a month, will begin this year for completion in 1982 on a site next to Honda's motor-cycle factory near Columbus, Ohio.

The plant would be about a third the size of the Volkswagen of America Rabbit (Golf) plant which blazed the trail for foreign investment in U.S. car assembly four years ago.

Renault plans to spend $150m *on a joint* assembly operation with American Motors.

Honda's decision came sooner than generally expected. Toyota and Nissan, the two leading Japanese car manufacturers, are also considering setting up plants in the U.S. and the early decision by Honda may spur them to action.

Honda ranks third among Japanese exporters and is the fourth largest seller in the U.S. market, which bought a record 2.3m imported cars last year, representing 21.5 per cent of total sales as the American public switched its affection toward small, fuel-efficient vehicles.

The most important factor behind Honda's decision to invest an estimated $200m in the U.S. is its extremely heavy dependence upon the American market. Last year, the company exported more than two-thirds of its car production, and 65 per cent of these exports went to the U.S.

Honda would therefore be the hardest hit among the Japanese if the U.S. Government were to impose restrictions on *foreign car imports.* The Administration has been under fierce pressure from the powerful United Autoworkers' Union either to stem Japanese imports or to demand direct investment.

Detroit's leading motor industry executives have also made it clear that they expect the Japanese to invest in the U.S. and create jobs in the way that Ford, Chrysler and General Motors have all done in Japan in recent years.

The Japanese Ministry of International Trade and Industry, which welcomed the *Honda move,* reacted to this pressure earlier this week by calling in motor industry leaders to explain its anxieties.

Japan is exposed to the possibility of import protection moves in a number of other sectors, including steel and electronics, and there is a desire in both Washington and Tokyo to avoid confrontation.

The Honda decision to move into U.S. car assembly was influenced by the success of its three-month-old production line for motor-cycles.

Honda plant details, Page 23

Top Treasury posts filled

BY DAVID MARSH

THE Government announced yesterday an important reshuffle among senior Treasury officials who are key advisers to the Chancellor of the Exchequer.

Mr. Bill Ryrie, who has just returned from four years as the Treasury's chief representative in Washington, takes over as second permanent secretary in charge of the domestic economy.

There are also promotions to deputy secretary on the home and overseas sides respectively of Mr. Peter Middleton and Mr. David Hancock, both at the relatively youthful age of 45.

Mr. Middleton is taking over the job from Mr. Jeffrey Littler, who is moving sideways to become deputy secretary for general public spending.

Mr. Ryrie becomes one of the group of four officials—three second permanent secretaries and the Government's newly appointed chief economic adviser, Prof. Terry Burns—immediately beneath Sir Douglas Wass, the permanent secretary and the Treasury's top civil servant.

Details, Page 3

OVERSEAS NEWS

U.S. may urge emergency wheat reserve

BY DAVID BUCHAN IN WASHINGTON

THE United States is expected to call for an emergency world wheat reserve when officials meet representatives of other grain-producing countries today. But the prime aim of the meeting will be to work out a unified grains sales policy towards the Soviet Union.

Argentina has said it will not commit itself to withholding grain sales from Moscow, following President Carter's ban on sales of 14-17m tons of U.S. grains in protest at the Soviet intervention in Afghanistan. But other grain-producers represented at today's meetings—the European Community, Canada and Australia—have indicated they will refrain from filling the Soviet shortfall.

The Carter Administration has already said that it would buy the 3.7m tons of wheat due to be sold to Moscow and divert it to bilateral food aid programmes. But Agriculture Department officials said yesterday that overall U.S. wheat stocks are high enough now to allow a substantial U.S. contribution to a world reserve.

The Administration has committed itself to "isolation" from U.S. markets the cancelled Russian grain contracts, which included some 10m tons of maize to prevent U.S. prices from plummeting. It has said it will put the grain back on the market only when prices on commodity exchanges start to rise again. A world reserve would help take some of the oversupply off the U.S. markets, officials here believe.

Meanwhile, Mr. Cyrus Vance, the Secretary of State, said yesterday in a television interview that the administration for the moment planned no new economic or diplomatic reprisals against Moscow.

The President, Mr. Vance said, would prefer the summer Olympic Games to go ahead as planned in Moscow, but that no decision had been firmly taken on whether the U.S. should try to get the venue changed. This prospect was raised this week by Mr. Walter Mondale, the Vice President, who said while campaigning in Iowa that the Soviets should not be allowed to host the Games.

Among numerous diplomatic developments yesterday, the British Government recalled its ambassador from Kabul for consultations. Mr. Norman Hillier-Fry will meet Lord Carrington, Britain's Foreign Secretary, in Islamabad on Monday.

Herr Helmut Schmidt, the West German Chancellor, plans a visit to Washington, probably in March. The visit was arranged during a telephone conversation with President Carter on Thursday. Mr. Roy Jenkins, President of the European Community Commission, will also visit Washington later this month.

M. Georges Marchais, the French Communist Party leader, yesterday defended his party's uncritical stance on the Soviet invasion, claiming Moscow's military intervention was justified under the terms of the Friendship treaty between the two countries Speaking from Moscow, where he is on an official visit, M. Marchais said the Soviet action was aimed at pre-empting an invasion by rebels from outside the country.

Reuter adds from Muscat: Oman yesterday urged Gulf states to join in a common defence of the oil-rich region against the Soviet Union and called for military aid from the West.

"The Soviets wish to strike further south to control the warm ports on the Gulf of Oman," Qais al-Zawawi, the Minister of State for Foreign Affairs, said in a statement after talks with Lord Carrington, the British Foreign Secretary.

Karmal denies Soviet casualties

By Our Foreign Staff

PRESIDENT Babrak Karmal of Afghanistan says the Soviet Union suffered no casualties during its "assistance" to his country.

Mr. Karmal told Western and Communist reporters yesterday that not even one Soviet soldier had been killed, captured or wounded." This is in contradiction to reports by Western diplomats.

He said the ruling Revolutionary Council had voted for Soviet assistance last month because of a "a possible invasion of Afghanistan provoked by American imperialists."

Some details of the President's news conference were published earlier by the Soviet TASS news agency.

But Western correspondents' reports were delayed because of what officials said was a lack of telephone and telex links.

In Kandahar, Afghanistan's second-biggest city, food is running short because of fierce fighting between rebel tribesmen and Soviet troops.

Reports from Islamabad say 12,000 refugees have trecked into Pakistan's Baluchistan province from southern Afghanistan since the new year, bringing accounts of a big Soviet takeover in the Kandahar region and stiff resistance from tribesmen.

The refugees said the rebels were attacking military convoys on the main road running north-east from Kandahar to Kabul, an dthe 4,000 Soviet troops in Kandahar were dependent on airlifts for supplies.

Colina MacDougall examines China's response to the Soviet action in Afghanistan

Peking sees its analysis vindicated

ONE of the gravest reasons why the Soviet Union may come to regret its invasion of Afghanistan could be that it has driven Washington into the arms of Peking and given the Chinese a powerful excuse for involving themselves with the rebels and with more aid to Pakistan.

Peking must be quietly satisfied that the Soviets have so conclusively demonstrated the correctness of the Chinese analysis of Moscow's warlike intentions.. The threat to Iran and the West oil supplies exemplifies perfectly the Chinese view that global Soviet strategy is to cut the West off from its sources of raw materials and energy.

The first result of the closer relationship has emerged in the visit to Peking by the U.S. Defence Secretary Harold Brown. The trip, scheduled last autumn and only by coincidence taking place at this crucial moment, has produced an agreement that the U.S. will supply technology with defence applications, that China should send a military mission to the U.S., and that the defences of Pakistan *should be strengthened.*

Whether the U.S. would have played its "China card" more *obviously* and sent Mr. Brown to Peking even if his visit had not been pre-arranged is a moot point. In spite of its concern, the U.S. has not reneged on its long-term policy not to supply arms to China. But Washington has made it quite clear that the ground satellite station it has already agreed to supply has defence uses.

The U.S. Defence Secretary said the Chinese had not asked for weapons, but a more sympathetic American ear and better U.S. understanding of China's military needs will probably mean Washington will look more favourably on the supply of arms-related equipment by its allies such as Britain and France.

It is true that until now China's economic difficulties have meant that most discussions on arms sales have not got past the talking stage. But the current crisis may concentrate Chinese minds on their military inadequacies. If contracts materialise the question of getting such deals through the Western arms sales control body CoCom should become much easier.

The Afghan affair probably spells doom for the Sino-Soviet talks on bilateral relations which began last September. The object was to resolve Government - to - Government differences, and improve contacts such as trade. There was a strong (though not unanimous) view in the West that at least some Chinese leaders wanted to move back to a more central position between Washington and Moscow.

With *a new* flexible leadership in Peking the dispute between the parties over doctrine was *dormant.* Although Chinese suspicions of Soviet "hegemonism" was still a factor, Peking seemed keen to improve the *relationship* for purely practical reasons. While the talks may eventually resume, the atmosphere for real progress will have been effectively poisoned.

The Chinese do not themselves feel threatened by the Soviet move as their own border with Afghanistan is only five miles long and in wild and mountainous country. But they are deeply concerned at the Russian capacity to make the *move* and the consequences to *Pakistan* and Iran

Indeed, by invading Afghanistan the Russians may have set a dangerous precedent which could backfire. The Chinese could rationalise their own historical desire to neutralise or dominate Indo-China in terms identical to those used by the Russians to defend their Afghan incursion.

However. the first Chinese counter-move is likely to be aid—or increased aid, if it is already under way—for the *Afghan rebels.*

Guerrilla training is a Chinese speciality, and while the Afghans are experts in their own right, the Chinese can teach them how to handle the weapons they capture.. Perhaps more important, they can show them how to deal with the equipment they have to face.

Aid to the rebels can be channelled fairly easily down the Karakoram Highway into Pakistan, and so into Afghanistan, although the road is extremely vulnerable to landslides. The Russians are already dug in around Afghan towns, airfields and highways, where the guerrillas can make little dent. But arms supplies, and the safe refuge over the border which Pakistan can provide, could help them to control the rest.

Most valuable of all, the Chinese could provide money to buy arms elsewhere—antitank missiles, for example, which would have to come from Europe or the U.S. since the Chinese only make a small hand-held variety.

The next step will be increased aid for Pakistan, with which the Chinese already have a strong relationship.

Another option for China would be to create a diversion elsewhere. It is unthinkable that it should do so on its own border with the Soviet Union—that would be too dangerous—but a possible alternative is to stir up trouble for the Moscow-backed Government in Hanoi. Here the Chinese have the choice of a quick strike into Vietnam, or a boost to the rebels in *north-east* Laos against the Hanoi-dominated Government in Vientiane.

In the diplomatic field, the *Chinese have a Muslim population* of their own which *they* could exploit in the interests of anti-Sovietism, though they would be as *much* afraid as Moscow of any disturbing pan-Islamic movement.

In the present crisis, the Chinese seem likeliest to move still closer to the West and Pakistan, and in the Third World in general to capitalise on their perception of Moscow as a military threat.

Dene Xiaoping meets Harold Brown . . . *Moscow* has driven Washington into the arms *of* Peking.

Japanese in dilemma over loans to Russia

BY CHARLES SMITH, FAR EAST EDITOR, IN TOKYO

JAPAN must decide in the next four days whether to suspend negotiations on several hundred million dollars worth of loans needed to finance its exports to the Soviet Union in 1980.

Suspension would be a dramatic way of indicating Japanese displeasure at the Soviet invasion of Afghanistan but could also hurt Japan at least as much as the Soviet Union.

The loans would be made by the Japanese Export Import Bank to finance Soviet purchases of Japanese steel pipe and to cover plant contracts negotiated last year.

Mr. Victor Ivanov, Soviet Deputy Minister of Trade, has been expected to visit Japan to discuss these credits, but a formal invitation has yet to be issued. If it is withheld, it would be tantamount to a freeze on future Ex Im bank credits.

The Japanese Cabinet met yesterday to discuss Mr. Ivanov's visit and other aspects of Japan-Soviet relations. No decisions were taken, but Mr. Masayoshi Ohira, the Prime Minister, may have to settle the issue before he leaves next Tusday for a tour of Australia and New Zealand.

All Japan has done so far is issue a statement through its ambassador to the UN expressing regret at Soviet intervention in Afghanistan.

The Japanese Export Import Bank does not publish figures for the value of credits to individual countries, so the dependence of the Soviet Union on its loans is hard to determine.

What is known is that Ex Im bank loans will be needed to finance the Japanese portion of a $350m U.S.-Japan contract to supply a silicon-steel plant. (The Japanese partner in the contract is Nippon Steel.)

The Ex Im Bank also provided a substantial portion of some $300m of loans to back exports of broad-diameter steel pipe to the Soviet Union last year, and would normally be expected to do the same this year.

Ex Im Bank funds are also needed for Siberian resource development projects on which the Japanese and Russians have been jointly engaged for several years. The bank was expected to be asked this year to lend money for new forestry and coal developments.

Withholding credit to the Soviet Union—even temporarily would be a major decision for Japan, not just because of the amounts involved but also because Russia might retaliate by reducing Japanese fishing rights in its territorial waters.

Japan and Russia have complementary agreements to fish within each other's 200-mile zones, but Japan benefits most. Talks on quotas for Japanese trout and salmon fishing in Soviet waters are scheduled to start in March. Their suspension or postponement could seriously damage part of the Japanese fishing industry.

A government-to-government technology agreement under which information is exchanged on nuclear diffusion and fast-breeder reactors, could also come under scrutiny.

Last-minute guerrilla alliance 'still possible' in Rhodesia

BY MARK WEBSTER IN BULAWAYO

AN ELEVENTH-HOUR agreement between the two wings of the Patriotic Front guerrilla alliance to contest the February election as one party is still possible, the secretary-general of Mr. Joshua Nkomo's Zimbabwe African Peoples Union (ZAPU) said here yesterday.

Speaking on the eve of what ZAPU hopes will be Mr. Nkomo's triumphal return to Rhodesia tomorrow, Mr. Joseph Msika said that it was vital to preserve "the unity we have fought so hard to achieve." He still hoped that ZAPU would be joined by Mr. Robert Mugabe's Zimbabwe African National Union (ZANU) and would fight the election as one, he said.

However, observers believe that a loose electoral alliance is more likely than the forging of a single party for electoral purposes. Political parties have only until Monday to register their full details. Already, ZANU has registered as ZANU (PF).

But Mr. Mugabe has been under strong pressure from leaders of the "front-line" states—especialy President Samora Machel of Mozambique—to fight the election with ZAPU.

Other ZAPU sources said unity might be the only way of preventing an outbreak of hostilities between the two armies of the Patriotic Front—Mr. Nkomo's Zipra and Mr. Mugabe's Zanla.

Military officials here confirmed that relations between Zipra and Zanla had deteriorated considerably in assembly areas at which guerrillas from both wings had collected to observe the Rhodesian ceasefire. In one, they had been moved a kilometre apart, and in another were separated by a river. Mr. Msika said ZAPU had been considerably strengthened by defections from the United National Federal Party led by Chief Kayisa Ndiweni, which was formed just before the April internal settlement election.

He said that ZAPU's party machine was still intact, despite its banning under the former Government of Mr. Ian Smith. But he complained that the authorities had prevented ZAPU from making an early start to the election campaign by disrupting party meetings, and that many ZAPU representatives were still either in detention or under some sort of restriction.

Mr. Msika is in Bulawayo as part of a national tour to prepare support for tomorrow's rally in Salisbury to welcome back Mr. Nkomo.

Bernard Simon reports from Johannesburg: Mr. Thozamile Botha, chairman of the Port Elizabeth Black Civil Organisation, was one of three blacks arrested by security police yesterday, shortly before addressing a meeting to protest against the forced removal of residents from a local black township. Mr. Botha led the strike by 500 black workers at Ford South Africa which ended on Thursday.

GEORGE MEANY
A labour leviathan

MR. GEORGE MEANY, whose iron will and powerful intellect enabled him to dominate the American labour movement for a generation, died on Thursday night in Washington.

Only two months earlier, the 85-year-old Mr. Meany, looking gaunt and frail and speaking from a wheelchair, had finally announced his retirement as president of the American Federation of Labour and Congress of Industrial Organisations (AFL-CIO). He had held the presidency since the merger of the AFL and the CIO in 1955, a union he had pressed for since his election to the presidency of the AFL in 1952.

Mr. Meany was born in Harlem in New York in 1884, started work at 16 as a plumber but by 1923 had begun his long career as a union official. It stretched from a period which saw workers fighting often violent battles with company-paid thugs for the right to organise, through the growth of "business unionism" and, earlier this year, the first appointment of a top union official to the board of a major corporation, Chrysler.

But it is with the growth of "business unionism" that Mr. Meany has been most closely identified—and at times criticised by the more leftward leading American unionists.

Mr. Meany had little time for Left-wing ideologies and saw trade unions primarily as an instrument for improving the working conditions and the wages of workers and ensuring that organised labour in the U.S. was able to wield its power effectively in pursuit of its goals. He once remarked that militancy was often a way of seeking instant solutions to complex problems.

In the past decade, criticism of Mr. Meany's leadership had been growing steadily, particularly since the election of President Jimmy Carter.

Sweden's Left calls for price freeze

BY WILLIAM DULLFORCE, NORDIC EDITOR, IN STOCKHOLM

SWEDEN'S Opposition Social Democrats and the LO, the blue-collar workers' union federation, yesterday called for a price freeze and a law compelling companies to transfer 25 per cent of their profits to investment funds. They also demanded a "more active" currency policy and stricter exchange controls.

Mr. Gunnar Nilsson, the LO chairman, indicated that acceptance of these proposals was the price his federation would demand for exercising restraint in its wage demands.

The programme was tabled the day after the coalition non-socialist Government had submitted a 1980-81 budget bill which sought to curb growth in public spending, and assumed a rise in nominal wages of only 7-8 per cent this year. The Government has a majority of only one in the Riksdag (Parliament).

Mr. Olof Palme, the Opposition leader, said the economic policy embodies in the budget would be "in shreds" within a couple of months. A more clear-cut anti-inflation policy was needed.

The Social Democrat trade union programme aimed at limiting price increases to 5 per cent in 1980. In return for wage restraint companies should place 25 per cent of their profits in investment funds,

The opposition also called for a restructuring and development fund to be set up to buy new shares in companies.

South Koreans planning 20% devaluation

BY OUR SEOUL CORRESPONDENT

SOUTH KOREA will soon announce a series of important economic policy readjustments, including a 20 per cent devaluation of the won, Korean officals said yesterday.

President Choi Kyu-hah presided over a lengthy meeting yesterday morning with his senior economic advisers, including Mr. Shin Hyon-hwak, the Prime Minister, and Mr. Lee Hahn-been, the Economic Planning Minister.

These officals have favoured an early devaluation of the currency, which is pegged at 483 won to $1, to stimulate exports.

The readjustments may be officially announced today. It would be the first such devaluation since 1974. Other action is expected to include a drastic curtailing of investment in heavy industries, and an increase in deposit interest rates.

Although hints of a devaluation have cheered exporters, it has spread gloom across Korea, which has suffered from an inflation rate approaching 25 per cent a year.

Economic Planning Ministry officials, however, said devaluation would keep the South Korean economy growing by about 4 per cent this year. Otherwise the country, with 37m people, will face unemployment of almost 1m.

Despite rising oil prices, South Korea hopes to keep its trade deficit to $3.4bn this year. Although devaluation will discourage imports, the nation's current account deficit by the end of the year is expected to exceed $2.4bn, $1.1bn higher than last year.

Without readjustment in its exchange rate, the economy faces bleak growth prospects, which economic officials believe could touch off massive political unrest.

● In Manila, Mr. Gregorio Licaros, Governor of the Central Bank, confirmed that a change in the peso pricing system is being considered. Instead of being based on the U.S. dollar alone, the exchange rate would be based on a "basket" of foreign currencies

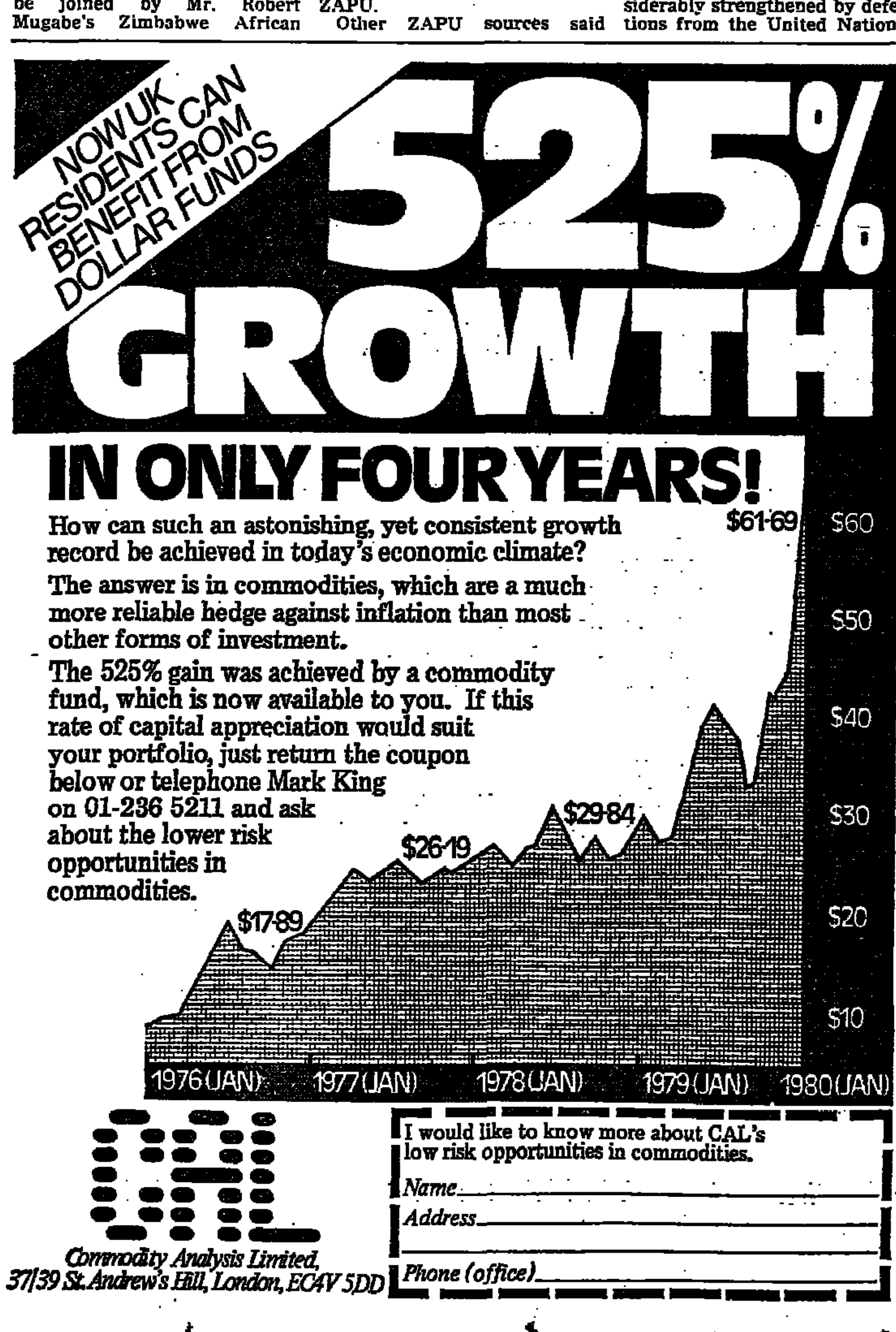
German growth at 4.4%

BY JONATHAN CARR IN BONN

THE WEST GERMAN economy grew in real terms by 4.4 per cent in 1979, and consumer prices by 4.1 per cent, according to preliminary figures just released by the Federal Statistical Office. This compares with real economic growth of 3.5 per cent and inflation of 2.6 per cent in the previous year.

A comparison with the Government's own projections issued a gear ago shows that Bonn was too pessimistic about prospective growth in 1979—it expected around 4 per cent—and too optimistic about prices, where it felt there would be an increase of around 3 per cent.

The Government projections for this year are to be issued at the end of this month. In view of the increase in Organisation of Petroleum Exporting Countries oil prices, and the problems in Iran and Afghanistan, a forecast of less than 3 per cent of real economic growth is likely.



U.S. jobless rate 5.9%

BY NANCY DUNNE IN WASHINGTON

THE U.S. unemployment rate moved up from 5.8 per cent in November to 5.9 per cent in December, ending the year at the same rate as in January, 1979. The unemployment rate thus fell far short of the 6.6 per cent the Administration had predicted last summer for December.

Although employment grew at a slower rate than in previous years, it continued to expand. Total employment moved up by 300,000 last month to 97.9m.

Perhaps in anticipation of a coming recession, in which unemployment is expected to rise to 6.5 per cent by next summer, the Administration has proposed a $2bn youth education programme for 14 to 21-year-olds in the poorest urban and rural areas. If approved by Congress, the programme would bring to $6bn the amount being spent on basic education, work experience and job training for the young, who would otherwise become part of the "structurally unemployed."

'Surrender with honour' by Corsican separatists

BY ROBERT MAUTHNER IN PARIS

THE Corsican separatists who held at least 10 hostages in a hotel in Ajaccio, Corsica's capital, for two days, surrendered early yesterday after police agreed to let them leave the hotel with their guns.

Although the separatists' surrender relieved some of the tension that built up after shooting incidents the previous night when one riot policeman and two civilians were killed, a general strike called by local political, union and professional organisations went ahead.

The entrance to Ajaccio port was blocked by fishing vessels, and shops and businesses remained closed in mourning for the dead and as a protest against methods used by the police. A police inspector was charged yesterday with manslaughter in connection with the death of a civilian.

The end to the dramatic affair—which has once again underlined Corsica's complaints about central government neglect of its problems—came suddenly after the French Government had refused to make any deal and sent police reinforcements to the island.

A police officer climbed on to the roof of the hotel and persuaded the separatists to give up.

Traditional Corsican honour was saved by the police allowing the separatists to march to the police station waving their guns and Corsican nationalist flags and singing patriotic songs.

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UK NEWS

Council house sales profit studies conflict

BY ANDREW TAYLOR

A DEPARTMENT of the Environment study published yesterday showing that substantial profits might arise from the sale of council houses to tenants totally conflicts with the findings of a report by the same department 18 months ago.

The latest study suggests that, over 20 years, a profit of up to £7,600 might arise on each council house sold. A similar appraisal carried out 18 months ago, however, showed that losses of up to £8,535 might emerge over a similar period.

The department said yesterday that, as the first study was *never published, it did not feel* able to comment on any discrepancies that might have emerged. The report showing losses was widely leaked to the Press shortly before the publication of the Housing Bill.

The new appraisal appears much more comprehensive than that carried *out* slightly more than 18 months ago and covers an extensive range of options of the likely impact on the public purse over periods ranging *from one year to 50* years.

However, in every case considered, the sale of a council house resulted in a gain, ranging from £136 to £7,600, over 20 years.

However, the study found in *some cases* that losses emerged after 50 years. Answers ranged *from a loss of £4,480* to a surplus of £9,218, depending on what view was taken of future movements in interest rates, rates, inflation and other factors.

Mr. Heseltine, Environment Secretary, said that conclusions based over a period as long as 50 years "must be still more speculative."

'Meaningless'

In an earlier study, however, the Chartered Institute of Public Finance and Accountancy showed how, by making marginal alterations in projected interest rate, rent and inflation levels, gains in council house sales might, over a long peirod, as easily become losses.

The Institute said yesterday that it still had to assess the *implications of the Department's* latest report but saw no reason at this stage to change its view that long-term financial analysis was likely to prove meaningless *given the difficulty in predicting* likely interest-rate and rental levels.

The Department said that "no claim can be made to certainty in an appraisal of the financial effects of selling council houses" and that the future remained fraught with uncertainty.

Mr. Heseltine, however, said that the appraisal represented "a most rigorous, sophisticated and comprehensive attempt to assess the financial effects of *the sale of council houses.*" It showed in all cases that, for the first 20 years, council house sales would financially benefit local authorities and the Exchequer.

The report concludes that, on current interest rates and rent levels, the gain in the first year of a council house sale would be betwene £2,364 and £2,481. That agrees with most other recent studies, including the institute's, which generally accept that profits will arise in the first year.

The report also analyses actual of council houses in 1970-1971, which, it says, shows that average gains on each sale, after allowing for lost rent and subsidies, amounted to £1,127.

Much debate is likely over the Department's analysis over the longer period, conflicting, as it does, not only with its earlier findings but also with reports conducted by, among others, Shelter, the organisation for the homeless.

A little more wit and originality at Treasury

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

Mr. George Hancock

Mr. Peter Middleton

Mr. William Ryrie

THE SENIOR Treasury appointments announced yesterday involve promotions for some of the key officials who will advise successive Chancellors of the Exchequer throughout the 1980s. Among those affected are a possible future official head of the Treasury ane one of the leading monetary experts in the Department.

The appointment of Mr. Bill Ryrie as second Permanent Secretary in charge of the domestic economy and of Mr. Peter Middleton and Mr. David *Hancock as Deputy Secretaries* of the home and overseas sectors, respectively, are hardly surprising to Whitehall watchers.

Each has been closely marked out for promotion, under the past government as well as the present one.

The appointments are much more conventional than, say, the decision to bring in Prof. Terry Burns of the London Business School as Chief Economic Adviser, but they nonetheless represent a definite addition to the originality and liveliness at the top of the Treasury.

Mr. Ryrie, 51, takes over from Sir Lawrence Airey who has just become head of the Inland Revenue. Mr. Ryrie has just returned after four years as the senior Treasury representative in Washington and the UK Executive Director of the International Monetary Fund and the World Bank.

He earned high praise there from all sides, particularly for his work during the lengthy and delicate negotiations between the UK and the IMF in 1976.

He is a man of considerable charm and openness, although he has a reputation for possessing a sharp tongue and an unwillingness to suffer fools.

He will be responsible for the whole of the domestic economy apart from public spend*ing, and is mentioned as* one of the most likely successors to Sr Douglas Wass, the Permanent Secretary, in a few years.

One of Mr. Ryrie's deputy secretaries will be Mr. Peter Middleton, 45, one of the Treasury's genuine characters. He is a witty extrovert of undoubted cleverness whose talents have recently been employed principally on work on the impact of monetary influences upon the economy and the balance of payments.

He has been closely involved in the internal studies on Britain's contributions to the EEC budget. For his work on the monetary side Mr. Middleton has become a *familiar figure* in the City, and is still highly regarded *in Fleet Street from* his days as the Chancellor's press secretary in the mid-1970s.

He was highly regarded by Mr. Denis Healey and is *believed to have* impressed Sir Geoffrey Howe in the past eight months, since he was one of the few officials who correctly warned the Chancellor about the monetary risks being taken in the Budget.

Although he is no doctrinaire monetarist. Mr. Middleton's views are closer to those of the present Ministers' strategy and philosophy about the economy *than* those of some of his Treasury colleagues.

His new job will involve responsibility for both fiscal and monetary policy. The present occupant of the post, Mr. Jeffrey Littler, is moving sideways to become Deputy Secretary responsible for general public spending policy.

The other important promotion involves Mr. David Hancock, 45, currently concerned as an Under-Secretary with sterling and the management of the reserves and overseas debt, who is to have a general responsibility for external finance.

Mr. Hancock has great experience of the EEC since he worked in Brussels as the Treasury representative in the early to middle 1970s.

He marked himself out for promotion—particularly in the eyes of Sir Douglas Wass—following his work in 1975 on the major internal restructuring of the Treasury. This resulted in the present broad division into *three sectors* of overseas, domestic and public spending.

These appointments are only the first stage of a series of moves among top Treasury officials. Other changes will have to be made to fill the gap left by Mr. Middleton—Mr. Hancock's successor, Mr. Roger Lavelle, named yesterday—and a further promotion will be required later this year when Mr. Fred Jones, the Deputy Secretary responsible for industrial policy, retires.

The vacancies which have led to the current reshuffle have been partly the result of retirements and partly of postings outside the Treasury.

Moreover, later this year, there are expected to be significant changes at the senior levels of the Bank of England. There is already much speculation about who might take over from Sir Jasper Hollom, the Deputy Governor, if he decides not to stay on for a further term.

Mr. Christopher Dow, the present Executive Director on the economics side, is also expected to retire within the next couple of years.

There is particular interest to see whether Mr. Gordon Richardson, the Governor, will promote some of the officials and economists whom he has brought in from outside the Bank.

House starts decline as completions rise

BY MICHAEL CASSELL

NEW HOUSING completions rose for the fourth month run*ning in November, according to* the Department of the Environment.

But the number of new houses on which work began during the month fell to the lowest level since August and was well below the level achieved in November 1978.

The Department of the Environment says that the building industry completed 24,900 homes in November, compared to 23,100 in the month before and 24,500 during the same period of 1978. Of the combined total, 10,700 were recorded in the public sector. The rest were privately built.

In the three months until the end of November, total housing completions were up 10 per cent on the previous quarter but 6 per cent down on a year ago.

In November, builders made a *start on nearly 19,200 new* homes against 20,900 in October and 20,700 a year earlier. The private sector accounted for 12,800 new starts while the 6,300 public sector starts represented the lowest output level since February.

According to the Department of the Environment, all housing starts in the September-November period showed a 2 per cent increase over the previous three months but were 13 per cent lower than the level achieved during the same period of 1978. Total housing starts in 1979 look unlikely to have passed 215,000 units against 264,000 in 1978. Completions should have reached around 230,000 against 279,000 in the previous 12 months.

Seek EEC mine grant, says Owen

By Richard Evans, Lobby Editor

THE GOVERNMENT was urged by Dr. David Owen, Opposition Energy spokesman, yesterday to apply immediately to the European Community for a £15m to £20m grant for the coal industry.

Dr. Owen, speaking at Stanley, Co. Durham, said that this would benefit the industry by preventing pit closures and *redundancies, and be a modest* step toward reduction of Britain's financial contribution to the Common Market Budget.

A grant would ensure that *the Coal Board could offer* coking coal to the British Steel Corporation at a price allowing it to import no further coking coal for this year.

Dr. Owen thought it an absurd situation that Britain, at a time of world energy shortage, was reducing her own coal production.

At present the Government was refusing to pay the money to the Coal Board, and this was a dogmatic and short-sighted decision which ought to be reversed.

There could be no justification for the Government's not approaching the EEC. In 1978 West Germany had spent £297m in conformity with Common Market rules in supporting the difference between producing coking coal in West Germany and the average cost of importing it.

Increased grants from the EEC to improve Britain's industrial infra-structure is one of the key possibilities now being explored by Ministers in the campaign to reduce Britain's £1bn Budget deficit.

Inquiry team to meet

THE COMMISSION of Inquiry into the Labour Party is to have its first formal meeting at the *Commons on January 22 follow*ing weeks of argument over its composition since the October Party conference, writes Richard Evans.

The next day the National Executive Committee will determine the final composition of the Commission. At present there are five trade union members, five from the NEC, Mr. Callaghan as party leader and Mr. Michael Foot, his deputy.

Also included, after fierce argument, are Mr. Alex Kitson, as vice-chairman, and Mr. Norman Atkinson, as party treasurer. An attempt will be made by party moderates to exclude Mr. Kitson, a National Officer with the Transport and General Workers Union, and to allow Mr. Atkinson to attend, but not to vote.

Lea Valley motorway 'would save £1bn'

BY ROBIN PAULEY

BY BUILDING a Lea Valley *motorway instead of some other* planned roads, the Greater London Council could save £1bn, says Mr. Barry Fineberg, a planning officer with Hackney *Council.*

After a year of delay and disagreement, a special planning and highways committee meeting has approved a joint report of the borough architect and borough design engineer recommending that the GLC be asked *to undertake a feasibility study* into the merits of providing a new strategic route in the Lea Valley.

The plan is for a 10-mile stretch of urban motorway to link the M1, part of the M25 orbital motorway and M2-M20 motorways. The link would obviate the need to build some sections of the M25 and M11 motorways and some other planned roads, said Mr. *Fineberg. Other road schemes* could be cut back because they would carry less traffic and total savings of up to £1bn might be expected, he estimates.

Another advantage claimed for the Lea Valley route is that most of the land is either open or is land in various stages of *dereliction and decay. Most of* it is also in public ownership.

Paisley party boycotts second set of talks

BY STWEART DALBY IN BELFAST

THE TROUBLED constitutional conference on Northern Ireland was plunged into further difficulties yesterday when the Rev. Ian Paisley, the main Unionist delegate, said that his Democratic Unionist Party would not attend the second set of parallel talks proposed by Mr. Humphrey Atkins, the Ulster Secretary, to deal with contentious issues like Irish unity and security.

To keep his conference alive Mr. Atkins attempted to hive off these topics from the main conference aims of political devolution to a parallel set of talks with the four main political parties.

Mr. Paisley said yesterday that this was a transparent attempt to maintain the conference while bowing to the desire of Mr. John Hulme, leader of the mainly Catholic Social Democratic and Labour Party, to have Irish unity discussed.

Mr. Paisley said that he had originally agreed to attend on the understanding that the Irish dimension was not included in the talks.

He did not say that he proposed to withdraw from the conference, leaving some room for hope that the talks can continue.

Public Ledger 220 years old

WITH ITS issue today, The *Public Ledger, Britain's oldest* commodity trade newspaper, completes 220 years of uninterrupted publication.

In 1759 William Bristow, a city trader, and *William Faden*, a printer, launched London's first daily commercial newspaper. On December 17, 1759, a Royal licence, issued by William Pitt on behalf of King George II, gave permission for the production of "The Public Ledger, which the petitioner most humbly apprehends will be of great use to our subjects and specially to those who are any ways concerned with trade and commerce."

Stop the home fires burning

THE GREATER LONDON Council and the Home Office are financing a £370,000 television campaign to warn people of the dangers of setting their homes alight through careless smoking habits.

The campaign, which starts on January 14 emphasises the slogan: "Every time you light a cigarette, you light a fire. Put it out—before you can't put it out."

Mr. Tom Ham, chairman of the GLC Fire Brigade committee said: "Twenty-three per cent of the total deaths in fires from all sources were caused by cigarettes or pipes left smouldering.

"We want to make people realise that elderly smokers can be especially at risk. It's also downright dangerous for people to smoke in bed or to smoke either when they're drowsy or they've been drinking."

Most people who died in fires caused by smokers were over 45.

Dungeness nuclear plant shut for welding checks

BY MAURICE SAMUELSON

DUNGENESS "A" nuclear power station, in Kent, is being shut down this weekend because of welding faults discovered last year in one of its twin reactors and the decision to advance the inspection of the other one.

The Central Electricity Generating *Board* said that there was no health hazard. Electricity supplies would not be affected.

The station's No. 1 reactor was shut down after the discovery last May of welding defects in the cooling-gas pressure circuit.

As a result, the No. 2 reactor is being closed for inspection two months before schedule. The process will start this weekend and should be completed by Monday night.

"The advanced shutdown is a prudent measure. There is no health hazard either to the public or to the staff at the station. Electricity supplies to the public will not be affected," the board said.

The 550-Mw station is one of Britain's first-generation Magnox stations and has been in service since 1965. It uses carbon dioxide gas as its coolant instead of water, which is favoured for U.S.-designed reactors.

Dungeness "A" has given one of the best performances of Britain's *first-generation* plants.

Its No. 1 reactor was closed last spring for investigation of welding faults found in steel bellows associated with cooling. The board said yesterday that the faults appeared to have been present when the bellows were manufactured and did not develop *during the operation of* the reactor.

Inspection was likely to take several months. "Remedial work will be carried out on the bellows units of the No. 1 reactor and similar work may be necessary on the No. 2."

Although the board could not *say at this stage* when Dungeness "A" would resume electricity production, it was confident that the station would be back in service this year.

Until then, however, filling the gap from other parts of the national grid will involve greater use of coal. It will cost *£80,000* a day, which, over several months, might run into millions of pounds.

The defects were shown up by ultrasonic testing equipment not available when the station was completed 15 years ago.

Dungeness "A" is one of the board's 16 Magnox reactors. Dungeness "B," completed last year 10 years behind schedule, belongs to the later advanced gas-cooled reactor class.

UK NEWS

LABOUR

STEEL STRIKE

Joseph still firm against intervention

BY ALAN PIKE, LABOUR CORRESPONDENT

SIR KEITH JOSEPH, Industry Secretary, was jeered and booed by hundreds of steel strikers during a visit to Birmingham yesterday.

After a meeting with Sir Keith, Mr. Roy Bishop, West Midlands divisional official of the Iron and Steel Trades Confederation, said that the strikers had been offered "no crumb of comfort."

The Industry Secretary, he said, had made it abundantly clear that the problem was one between the British Steel Corporation and the unions and that the Government should keep out of it. If that were the attitude being struck by the Government, Mr. Bishop said, it was going to be a long, hard fight.

Picketing continued yesterday outside Hadfield's, the private steel company in Sheffield and the scene of arrests earlier this week, although union officials had been allowed into the plant to verify that the company was not using material from British Steel.

Mr. Stan Sheridan, representing the Sheffield strike committee, said that any decision to lift picketing at Hadfield's would have to be an inter-union one. A meeting was being arranged.

Damage

At Corby, Northants, two men were being interviewed by the police about alleged damage in the steelworks galvanising plant. Pickets have denied that they were involved in the incident.

The British Transport Docks Board said that very little steel was moving at the 19 ports under its control. Dockers are allowing shipments to be unloaded if they are not moved from the ports. The board says there are no congestion problems yet, but these could arise.

BY ARTHUR SMITH, MIDLANDS CORRESPONDENT

SIR KEITH JOSEPH, Industry Secretary—his reception in Birmingham yesterday is pictured above—offered no concessions yesterday in his first face-to-face talks with steel union strikers. He refused to intervene in the dispute, arguing that it was a matter for management and unions.

Sir Keith was stony-faced when confronted with 1,000 booing and jeering steelworkers when he arrived for a routine visit to the Midlands.

Protected by a police cordon, he passed through workers who had come from Wales and many parts of the UK for the demonstrations. Sir Keith was in Birmingham for talks with regional officials of the TUC and Confederation of British Industry.

Mr. Roy Bishop, Midland divisional officer of the Iron and Steel Trades Confederation, said afterwards that it was clear from Sir Keith's attitude that it would be "a long, hard fight."

The Industry Secretary had made clear that although it was in his powers to intervene, he would not do so.

He rejected an appeal from the union delegates to dismiss Sir Charles Villiers, British Steel Corporation chairman. He told a press conference afterwards: "I think the chairman is coping with a set of inherited problems in the way best suited to the national interest, the taxpayers' interest, and the steelworkers' interests."

Questioned about the possible length of the strike, Sir Keith conceded that he could see no settlement in the immediate future.

Pickets arrested after barring lorry's entry to stockyard

BY RAY PERMAN, SCOTTISH CORRESPONDENT

NINE PICKETS were charged with obstruction in Scotland yesterday after they tried to stop a lorry entering a steel stockyard at Wishaw, Lanarkshire.

Police had escorted vehicles through the mass picket at Watson-Towers stockholders on Thursday, and although there were some tussles, police described them as good-natured.

Yesterday, however, when pickets attempted to stop a lorry entering the yard, police arrested nine men barring its way.

To prevent further trouble the yard closed for the rest of the day and the local strike committee of the Iron and Steel Trades Confederation reduced the picket to 10 men. The committee said later: "We shall be out again in force on Monday when the yard reopens. Our intention is to stop all movement of steel in Scotland."

Picketing in Scotland has been most intensive at stockholders in the Motherwell and Wishaw area of Lanarkshire, near the large Ravenscraig steelworks. After angry scenes earlier in the week another Wishaw company, Steel Stockholders, agreed to close for a month from Monday in return for being allowed to complete deliveries this week.

Action at the gates of Scottish manufacturing concerns has been patchy and has caused little inconvenience to companies so far. Most engineering companies are large steel users, like vehicle builders and ship and oil platform construction yards, have sufficient stocks to last several weeks.

Private sector faces supply problems

BY ROY HODSON AND ROBIN REEVES

THE THREAT to extend the strike to the private-sector steelmakers means that steel-using industries must give new thought to their sources of supply for such products as rods and bars, and many special steels.

Only one British steelmaker in the private sector, Alpha Steel of Newport, Gwent, is equipped for large-quantity production of flat-rolled steel in the form of hot-rolled coil in competition with the British Steel Corporation.

Unofficial picketing of the Alpha factory has been eased after a warning from the owners that the plant would be closed within a week unless the blockade was lifted.

Mr. Maurice Webb, Alpha's managing director, is understood to have agreed not to supply customers in Britain. This is to allow Alpha to complete an £800,000 export order for Italy.

In west Wales union leaders have called for more volunteers for picket duties to cut down the amount of steel which, union leaders admit, is still being moved about the area.

The private-sector steelmakers normally provide about 25 per cent of the home market with steel. BSC contributes 55 per cent. The remaining 20 per cent is made up by imports.

14% limit angers civil servants

By Philip Bassett, Labour Staff

CIVIL SERVICE unions yesterday warned angrily of industrial action if the Government tried to circumvent the pay comparability system by sticking to its decision to provide for pay increases of 14 per cent in the cash limits covering public service workers.

Mr. Bill Kendall, secretary-general of the staff side of the Civil Service National Whitley Council, the umbrella body covering all nine public sector unions, said that if the Government departed from the Civil Service pay agreement by enforcing cash limits then "I state as a fact that there will be industrial action."

He was responding to the disclosure that the Cabinet is to calculate its forthcoming cash limits for the public services on the basis of a 14 per cent annual increase in earnings. The decision was spelt out in a confidential Treasury letter.

If there were an an attempt "artificially" to interfere with the Service's pay agreement, there would be "one hell of a row," he said. Independent pay comparability studies, which form the basis of the Service's pay agreement, are showing rises due of 17-18 per cent.

Despite the disclosure, the Civil Service unions would continue to operate on the basis that the national pay agreement was still in effect, Mr. Kendall said. The unions, though, are likely to seek speedy clarification of the Government's position.

The disclosure of the Cabinet's decision caused considerable embarrassment in Whitehall yesterday. Official sources were insisting that the wording of the Treasury letter was being misinterpreted.

The Civil Service Department said that in line with statements by the Department and the Treasury to Commons select committees, the cash limit for the Service had not been set and would not be fined until after the final outcome of the Pay Research Unit comparability studies became known, probably next month.

The Department was also keen to point out that in any event the wording of the letter did not refer specifically to the Civil Service, but was in connection with the cash limits for the more general public service sector.

Whitelaw spells out police role in picketing

BY RICHARD EVANS, LOBBY EDITOR

THE ROLE of the police in industrial disputs, particularly those involving picketing, was spelt out last night by Mr. William Whitelaw, Home Secretary, in a speech that emphasised the neutrality and independence of the police.

The Home Secretary said in Carlisle, that the police were not there to serve the interests of one side or another, or to enforce claims or complaints by one party to a dispute. These were matters that had to be dealt with through civil law.

In his view, the police had a duty to preserve order, to prevent the criminal law being broken and to deal with those wh did break it.

Criminal law, however, affects picketing where behaviour in itself is criminal, such as unlawful intimidation or obstruction of the public highway or breaches of the peace occur.

"If an offence such as obstruction or intimidation amounting to a criminal act takes place—and there could be no justification or excuse for such behaviour—the police have a duty to deal with it," Mr. Whitelaw declared.

He said it was for governments through Parliament to establish the framework of the criminal law—it was for the police to enforce it.

Finally, it was not the concern of the police to say who might or might not picket or where. However, when public order might be threatened by excessive numbers or where criminal acts including obstruction were suspected, the police might then have a proper concern with the numbers and behaviour of pickets.

Pay dispute grounds 21 British Airways services

BY NICK GARNETT, LABOUR STAFF

BRITISH AIRWAYS cancelled 21 flight services yesterday, five long-haul, 12 European and four domestic, because of industrial action by maintenance engineers over pay.

The airline said it expected to make all long-haul flights today but that there would be 16 cancellations—13 on the European service and three domestic flights.

National union officials on the airline's national joint council, the corporation's top negotiating tier, are due to meet union officials on the engineering and maintenance national sectional panel on Monday to discuss the action.

Mr. Stan Havill, secretary of the joint unions committee at Heathrow, said he expected the national officials to put a proposition to them in the hope of restarting negotiations

The airline has offered a pay rise worth 17 per cent linked to specific proposals on improving efficiency, largely through greater flexibility.

It says that there is no more money available and that what is already on offer must be offset by productivity gains.

The unions, seeking rises of 25 per cent, have told management that they want a "no strings" pay offer.

Mr. Havill said yesterday that the 11,000 engineers agreed to considerable efficiency changes last year. Though they would discuss some changes in flexibility they were not prepared to negotiate a similar wide-ranging productivity package this year.

The engineers have been banning overtime and carrying out selective strikes on a shift basis. The airline says it expects to operate a normal service on Monday.

Work on schedule in London's derelict dockland project

BY ROBIN PAULEY

PROGRESS in redeveloping London's derelict docklands has improved significantly according to the Docklands Joint Committee in a report released yesterday.

The Operational Programme 1978-83 shows that work on the infrastructure for the 5,000-acre site has caught up and is on schedule.

The provision of industrial and commercial floorspace has shown a dramatic improvement, with a total of 413,000 sq metres completed or planned within the docklands industrial zones and a further 62,000 sq metres outside those zones. This total of 475,000 sq metres still represents a shortfall of 137,000 sq metres compared with the Strategic Plan target for floorspace.

The latest report says the deficit could be eliminated by further development at the London Industrial Park and the release and redevelopment of the Limmo site.

Housing progress in Docklands, which straddles five London boroughs in the East End has been slower than expected in the Strategic Plan, published in 1976. The target was for 6,600 units by the end of 1982 but the revised figures indicate a total of only 4,266 completions by 1982-83.

However, the report is hopeful that by 1986 the programme will have caught up to the target of 13,800 completions—if the programme is not modified by any new financial constraints.

The joint committee is composed of members of the five docklands boroughs, the Greater London Council, the Port of London Authority and community representatives. Although the committee is rolling the programme forward a question mark still hangs over what the new Urban Development Corporation to be set up under the Local Government Planning and Land Act will do.

The development corporation will have a host of wide-ranging powers, similar to those enjoyed by new town development corporations, although the exact extent of the powers has still to be defined.

It is being set up by the Government to mastermind the redevelopment of the docklands and may leave the joint committee without a function.

The committee says Government alocation for Docklands for 1979-80 now stands at £19.73m, having been revalued at 1979-80 prices to take account of inflation and other adjustments.

For the financial year 1980-81 the previous Government had intended to increase the allocation to £20,4m at November 1977 prices.

But the present Government has announced that urban programme resources for 1980-81 will be limited to 1979-80 levels in real terms. As the allocation will be less than expected, adjustment in some areas of the programme will be necessary.

Schemes for three of the four district shopping centres are planned to begin development on time, but the fourth, on the Isle of Dogs, is being studied further to establish its feasibility.

The strategic Plan for schools is also to be re-examined because of the declining number of pupils on the rolls within the Inner London Education Authority area.

One area where redevelopment is ahead of schedule is in the provision of parks and playing fields. By 1982-83 the area will have a planned total of 116 hectares of open space compared with a target of 60.69 hectares, a figure which will already have been pased in 1980-81.

Development has now reached a stage where the question of whether certain major projects should proceed has become largely a matter for Government decision, says the report. They are the Northern and Southern relief road schemes, the East London River Crossing project and the extension fo the Jubilee underground line.

Swindon gains 250 jobs from two companies

ABOUT 250 JOBS in Swindon will be created by two decisions announced there this week.

Readers' Digest is to move its direct mail and distribution centre from Aylesbury during the spring and summer. By August it will be employing 130, most of them women, and expects the number to rise to about 200.

Readers' Digest has taken a 153,000 sq ft factory on the Blagrove Estate which had originally been earmarked for Kwiksafe but the food group changed its plans.

The second company to choose Swindon is Micro Focus, a computer software producer, which is moving its research and development operations from Inner London. It will employ 25 but according to Mr. Paul O'Grady, managing director, it plans to expand to 40 by the end of the year. The company currently sells software worth £500,000 a year.

In the past two years, at least half-a-dozen high technology companies have taken sites in Swindon, employing 640 people.

Belvoir 'essential for future fuel supplies'

FAILURE TO open new coal mines such as those proposed for the Vale of Belvoir could endanger England's future fuel supplies, the public inquiry at Stoke Rochford was told yesterday.

Strongly worded support for the National Coal Board's proposals to mine 510m tonnes of coal from Leicestershire, Notts and Lines came from its largest customer, the Central Electricity Generating Board.

The NCB and CEGB are heavily interdependent. As Mr. Raymond Razzell, general policy engineer for CEGB, pointed out: "In 1978/79, 62 per cent of the NCB's output was purchased by the CEGB, and 72½ per cent of energy used for electricity generation by the CEGB came from coal."

There was no long term contract between the two boards, although an understanding had recently been reached that the NCB continue to supply 75m tonnes a year for the next five years.

Mr. Razzell said that although the CEGB had adopted a nuclear strategy this depended on the backing of successive governments and on public acceptability.

In the Trent valley, coal-fired power stations provided 22 per cent of the electricity supplied by the CEGB, Mr. Razzell said these were "expected to play a major role in meeting demand in the 1990s."

He added: "If the Belvoir coal field is not developed and it becomes necessary to transport coal from outside the area, the order of the additional cost has been estimated by considering the transport of coal from the mines at Selby, Kellingley and Thorne to the centre of gravity of the stations between Willington and High Marnham, rather than Belvoir. The additional costs amount to £8m per annum in today's money.

"In the long term, the CEGB must clearly rely on both coal and nuclear power, and failure to develop new coal mining capacity could endanger future fuel supplies."

Carton factory jobs to go

By Our Labour Staff

THE AMERICAN-OWNED St. Regis International announced yesterday that it intends to close its folding-carton factory in Liverpool, making 417 employees redundant.

St. Regis said the factory, Tillotson's (Liverpool), had lost money for all but two of the past 12 years. It produces cartons mainly for the cigarette and tobacco industries, the remainder of production going to confectionery, frozen foods and drinks.

The company said the demand for folding cartons this year would not rise and would be further hit by a falling demand for cigarettes. Tillotson's has operated in Liverpool since 1904.

Union officials are to be asked to give their views on the closure proposals in talks with management. St. Regis said last night that it "will explore in full any suggestions designed to make the operation commercially successful."

Liverpool's port can prosper, chief says

THE 1980s will be the decade of the survival of the fittest docks, Mr. James Fitzpatrick, managing director of the Mersey Docks and Harbour Company, has warned its 8,000 employees.

But he predicted that Liverpool's strategic position would make it a survivor if the port fought for every ship and ton of cargo.

Writing in the company journal, he said Liverpool had demonstrated its adaptability by meeting the traumatic changes of the 1970s. In the 1980s rising fuel costs will make road transport a bigger part of the cost of goods. "A port like Liverpool, which is strategically placed, will have a great advantage."

More holidays in settlements

NEARLY 40 per cent of pay deals reported to the Confederation of British Industry pay data bank contain agreements to increase holidays.

Claims for longer holidays and shorter working hours are in virutally all current negotiations. Although employers seem willing to concede extra holidays, few deals contain shorter work weeks.

THE WEEK IN THE MARKETS

Handsome statistics on the way

LONDON
ONLOOKER

The gilt-edged market's resilience, which has been in evidence for some time, changed into positive strength this week. Having absorbed relatively disappointing data for the December money supply and Government borrowing, the market had the bad news behind it: on Thursday afternoon the long tap, dormant for weeks, was suddenly run out.

The subsequent rise in gilts left the new short tap, Exchequer 14 per cent 1984, very cheap, and it too was exhausted, when the market opened yesterday. Although the swallowing of £1½bn of new stock will inevitably lead to some indigestion, it will make for handsome monetary statistics for the January banking month.

Equities have rallied behind the strength of gilt-edged, and the FT 30-Share Index has returned to above 430. Quite a lot of institutional money, which had been keeping on the sidelines, seems to have been drawn in.

Bowring unbowed

On Monday C. T. Bowring and Co is expected to respond to the £245m planned bid announced this week by Marsh and McLennan of the U.S., the world's largest insurance broker. Marsh, in a highly unusual series of moves, has said that it reserves the right whether or not to proceed with its offer and much depends on whether Bowring agrees not to frustrate any bid that is made.

But Bowring has already shot one bolt in dramatic fashion. Mr. Peter Bowring has told Marsh in a private letter that the board was unanimous "in our determination to resist any such offer by every means available to us."

Bowring's shares have hovered well below the Marsh offer of 169p all week—at around 138p rising to 140p yesterday—which reflects the uncertainties.

Another factor has been the attitude of the club-like institution, Lloyd's of London. Will it relax its rule that insurance interests outside its market should not normally hold more than 20 per cent of an approved Lloyd's broker.

If the rule stands it could affect the bid package planned by Marsh and anger an important producer of the market's business. The Lloyd's committee decided that the best course of action was to do nothing until a report into self-regulation of its market by a working party headed by Sir Henry Fisher is ready in April. But the signs are that the 20 per cent rule will go, and it should not be constraint on Marsh moving it on Bowring.

It was unsurprising then that last week insurance brokers were one of the most actively traded sectors in the stock-market as speculative buyers sought to identify the next UK broker which might fall into American hands.

Air arm

Westland Aircraft has come a long way over the last 12 months. At the beginning of 1979, the shares were languishing at 31p, little more than a third of net worth, and the whole future of the group had been cast in doubt by problems with the Lynx helicopter and Super 4 hovercraft. Losses and provisions on the Lynx in the previous two years added up to £19m, while a contract with British Rail Hovercraft had brought losses of £4.75m.

But during 1979, Westland at last started producing the Lynx at a regular enough rate to make profits, and the hovercraft contract was completed. As a result, profits have jumped to a record £15.3m pre-tax, and the shares were pushing up towards 70p this week.

Westland is capable of making significantly higher profits this year and next as it completes its unprofitable helicopter contracts. But the long term future of the Lynx depends on Westland's ability to pick up some big army orders—so far, most have been sold to navies. And sometime in the latter half of the 1980s, if all goes to plan, the group will start to deliver the replacement for its ageing Sea King model. The hope is that this will take the company into the rapidly growing market for civil aircraft, but after the Lynx experience, there are obvious questions about the financial costs of delivering a brand new helicopter.

The shares currently yield under 9 per cent on a dividend covered roughly 1½ times by current cost earnings. They seem high enough for the time being.

Spirited response

As Hiram Walker-Gooderham and Worts proposed a reverse takeover into a Canadian utility company, Highland Distilleries sent a strongly worded letter to its shareholders urging rejection of Hiram Walker's £80m cash offer.

The rejection was issued just over a week before the offer closes and condemned the Canadian attempt to present the commercial benefits of the deal as "totally unconvincing." The document was long on the advantages of independence and short of any hard financial projections.

Glasgow brokers say that few shareholders have accepted the 130p offer and the Highland share price, at a premium of 10p and more to the terms, suggests that the Canadians will have to come back with more attractive inducements. Little wonder Highland is keeping some of its powder dry.

Unofficial estimates, however, put Highland on course for profits of £5.75m pre tax in the year which ends next August, some go as high as £6m against £4.6m last year. That takes in only dividend income from Highland's 34.5 per cent stake in the "Cutty Sark" group, Robertson and Baxter, and it is a moot point whether, with this level of equity and cross-directorships, Highland should not consolidate its share of Robertson's profits.

Assuming Highland consolidates, the share of Robertson profits in calendar 1978 (latest figures are not yet available) would be worth around £1m pre-tax, net of the attributable dividend, to leave fully taxed historic earnings at 5.47p per share. Brokers are reasonably convinced that Robertson's earnings have grown in 1979.

In addition, Highland's defence document insists that the company has not incurred a mainstream tax liability for many years. It says that on this basis, the exit p/e for last year would have been around 12 including a full contribution from Robertson and Baxter.

Highland shareholders should certainly wait for a higher offer. The new link with a Canadian utility is certainly thought to complicate matters.

MARKET HIGHLIGHTS OF THE WEEK

	Price Y'day	Change on Week	1979 High	1979 Low	
FT Ind. Ord. Index	435.2	+21.3	558.6	406.3	Demand in thin market
FT Govt. Secs. Index	66.80	+1.71	75.91	63.30	Heavy sales of "tap" stocks
Aran Energy	274	+46	278	60	Irish Sea oil interests increased
BAT Industries	261	+26	362	230	Institutional support
Bowring (C. T.)	140	+17	148	98	169p per share U.S. bid
Central Pacific Minerals	£20¼	+ 4¼	£20¼	340	Oil-shale development hopes
Conzinc Riotinto	270	+22	318	170	Encouraging Ashton report
De Beers Defd.	429	−41	500	332	Disappointing 1979 CSO sales
Decca	355	+50	445	235	Hopes of bid from Racal
English China Clays	82	+ 7	100	67½	Better-than-expected results
Ferranti	455	+48	460	320	Hopes of NEB sale soon
Granada "A"	149	+18	169	97	Investment demand
Land Securities	270	+23	323	241	Int. rate worries shrugged aside
Lyle Shipping	195	−17	222	125	Grain sales to Russia halted
McCorquodale	113	+25	145	83	Pleasing annual results
Nova (Jersey	41	+16	42	23	Persistent support/thin market
Samuel (H.)	148	+23	204	125	Favourable interim statement
Smiths Industries	196	+17	262	148	£3.6m Chinese orders
Vosper	197	+27	247	145	Compensation hopes
Westland	69	+13½	69	31	Better-than-expected results

U.K. INDICES

FINANCIAL TIMES

Average week to	Jan. 11	Jan. 4	Dec. 28
Govt. Secs.	65.67	64.82	65.48
Fixed Interest	66.54	65.73	66.01
Indust. Ord.	425.0	410.5	416.7
Gold Mines	281.5	285.1	269.5
T'tl. bargains	20,503	16,789	10,089

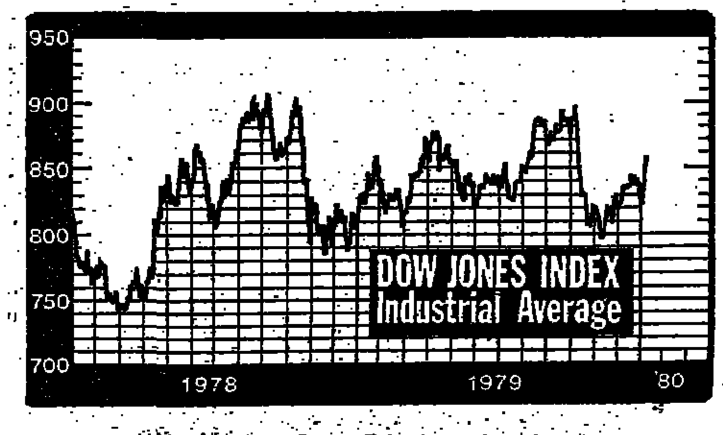
FT ACTUARIES

Capital Gds.	215.98	210.97	214.12
Consumer (Durable)	197.42	187.87	192.51
Cons. (Non-Durable)	208.99	202.11	204.61
Inds. Group	211.97	205.80	208.57
500-Share	248.58	243.80	247.05
Financial Gp.	180.83	178.76	182.45
All-Share	231.61	227.45	230.20
Red. Debs.	49.26	49.30	49.35

BEST AND WORST PERFORMING SECTORS IN FOUR WEEKS FROM DECEMBER 13

	% change
Mining Finance	+11.5
Insurance Brokers	+ 7.5
Office Equipment	+ 6.0
Entertainment, Catering	+ 4.9
Stores	+ 4.5
Pharmaceutical Products	+ 4.2
ALL-SHARE INDEX	+ 0.5
Contracting, Construction	− 2.6
Engineering Contractors	− 2.6
Banks	− 3.1
Packaging and Paper	− 3.4
Toys & Games	− 4.3
Oils	− 8.0

A hectic, but encouraging week



NEW YORK
IAN HARGREAVES

ON OCTOBER 11 last year I interviewed a grey-faced and weary Mr. Alec Chapro, senior floor partner for Drexel Burnham Lambert, one of New York's biggest securities firms.

The cause of Mr. Chapro's weariness was his winding down at the end of a week of chaos on the New York Stock Exchange after the inflation-fighting monetary policy announced by the Federal Reserve the previous weekend.

The highlight or lowlight of that week was the chalking up of the busiest day in the big board's history, when over 81m shares were traded.

Chapro's most surprising comment in our conversation was his firm belief that the share volume record set in the market collapse would soon, within a few months he believed, be exceeded on a rising market.

It seemed an odd forecast and one based more on intuition than on any systematic analysis, but this week it very nearly came to pass. The daily record set on October 10 was not surpassed, but it seemed certain that with strong trading yesterday a new weekly record would be set.

The hectic pace of the week and the strength and breadth of the rally took most observers by surprise. None of the much-discussed problems of the international political crisis, speculative fever in gold, uncertainty about interest rates and economic growth, abated. What happened was a combination of circumstances, which is best explained by a daily diary.

Monday was the exchange's first full week of trading after the holiday period. In moderate to heavy trading, buyers maintained pre-Christmas interest in defence stocks whose fortunes started upwards with the Iranian confrontation and which are now shoulder high on the emergency in Afghanistan.

The other positive development was a spurt of interest in companies thought likely to profit from President Carter's plans to convert embargoed Soviet grain into gasohol. Companies like A. E. Stanley and Archer Davies Midland did well as a result. The Dow Industrial Index went up 3.16 to 832.

On Tuesday there was intensification of concern about Afghanistan, a spate of exchanges between the U.S. and its allies about the Soviet threat but more upward pressure on defence stocks, with buying interest gradually spilling over into electronics, aluminium and steel companies likely to gain indirectly by higher armaments production.

Texas Instruments put on over 9 points, in the middle of the day, excitement was increased by a report from Mr. Courtney Slater, the Commerce Department's chief economist, that the U.S. economy appeared to have grown by 2 or 3 per cent last quarter, double the previous estimate.

Although this is arguably negative for the markets, suggesting higher interest rates and more inflation, investors took it as a positive signal of a shallower than expected recession to come and an indication that corporate profits may not be so badly hit as the market fears in the next two quarters. The Dow put on 19.7 points, its best performance for over a year.

Wednesday was another busy day, but one when the Dow slipped a point, although all other more broadly based indices showed a fractional gain. There was profit-taking on steel and electronics issues, but mining and precious stocks, which had been weaker early in the week after last week's momentous rises, started to push upwards again as did paper stocks helped by news of higher newsprint prices.

Thursday saw a resurgence of interest in the computer stocks, helped by news of product development at IBM and Burroughs, and perhaps most significant of all the market marked up General Motors by over two points and Ford by three-quarters in spite of further news of lay-offs and plant closures from both companies.

Metal stocks also had a good day and those who had already bought aluminium stocks were rewarded with strong final quarter earnings and buoyant forecasts from Kaiser Aluminum. The Dow jumped by almost nine points. After the market closed, the money supply figures proved fairly neutral.

This pattern seemed set fair to continue by noon yesterday and was leading analysts to the conclusion that if the market can prosper with gold at $650 an ounce, oil at over $30 a barrel and a comeback by the cold war, the next three months may be better than most of them had dared to predict.

It is early days for such optimism, but it is clear from the diary of events that the market now has a group of strong sectors, which are capable of offering leadership and which, as portfolio managers switch between issues, guarantee continued strong volume.

The genuinely encouraging factors for the market are the fact that the explosion in gold prices has not inflicted radiation burns on the dollar and the fact that every survey of business intentions shows that executives are much more cheerful about their own companies' prospects this year than about the economy as a whole.

There has also, in spite of the Fed's supposed cooling of speculative financing, continued to be a steady flow of take-over attempts this week, which is good for market confidence.

FINANCE AND THE FAMILY

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

Tax on Irish dividend

BY OUR LEGAL STAFF

I have shares in an Irish company (Sunbeam Wolsey) quoted in your pages and find that a dividend received at the time of purchase has been taxed twice, i.e. in Eire (at 30 per cent) and then in UK (33 per cent or the residue). Is there really double tax on Irish dividends or should I claim a refund of the UK tax?

Under article II (2) (a and b) of the Ireland-UK double taxation agreement of June 2. 1976, you are entitled to claim payment of *half* the Irish tax credit from the Irish Revenue.

The fraction will not be exactly a half for subsequent dividends, but the principle is constant. The necessary Irish claim form is obtainable from the UK Inland Revenue; you should write to the Foreign Dividends Office, Lynwood Road, Thames Ditton, Surrey, KT7 0DP.

The payment from the Irish Revenue will alter your UK tax liability for the year in which the dividend in question was paid. If you are only liable at basic rate in the UK on the Irish dividend (plus the whole of the *Irish tax credit*), *however*, you should actually get a small UK tax rebate.

The Irish claim form has to be countersigned by your UK tax inspector, so he will know all the facts needed to adjust your UK tax bill. Do not forget to attach the Irish tax voucher to the Irish claim form. The UK tax inspector will want the UK tax voucher, of course.

This may sound rather more complicated than it actually is, so do not be discouraged from making the claims.

Tax on work overseas

As a self-employed engineer I spent 75 days abroad during the past financial year which, for me, ends on May 31. About 65 per cent of my income for that year was derived from this work overseas. Can you clarify the arrangement for Income Tax relief in this situation? Are the 75 days to be measured as a proportion of the time worked during the year (about 110 days) or the income generated (65 per cent) or some notional working year? Does the relief apply to the tax year ending April 5 and, if so, which April 5? If the year in which the days were spent overseas generated a major difference in level of income to the taxation year, can the income be adjusted between the years?

The rules are to be found in section 27 of (and schedule 4 to) the Finance Act 1978. It would be worth your while to spend half an hour or so in a local reference library looking up the legislation (and commentary) in, say, the British Tax Encyclopedia or Simon's Taxes.

The basic points are: (a) the days of absence. "qualifying days," are counted for each tax year (from 1978-79), regardless of the taxpayer's accounting year; (b) the 25 per cent deduction is applied to N/365ths of the assessment for the tax year in question (N being the number of qualifying days in that tax year, if more than 29), regardless of the accounting year which forms the basis of the assessment. As you will see, the relief is given according to an arbitrary formula. Administrative convenience outweighs logic.

Establishing a gift

I have left my estate to my son, who lives in America. In the mean time, I should like to give him family silver and other valuable possessions, but he does not wish to have them sent to him. How can I prevent these articles being reckoned as part of my estate, if they are in my house at the time of my death?

We doubt if what you propose to do with the chattels would be effective. You would be better assured of success if you gave your son the chattels and these were transferred to a safe deposit in his name. Otherwise *it is difficult to* establish that there was a genuine gift when the use of the articles remains with you.

Beneficiary and executor

What are the rights of a beneficiary of a Will, to have access to the deceased's records to ensure that the assets have been accurately recorded and valued by the executors and their servants?

The beneficiary is entitled to full accounts from the executor, and also to inspect the documents of title of the trust property to which he has the title in equity. This latter would include the indicia of title to chattels, such as inventories, as well as formal documents of title to land.

Interest on bank accounts

Could you please clarify the amount of interest which is reported to the Inland Revenue when it is received on bank accounts? In the Financial Times dated October 25, it was stated that the amount is £50, whereas Financial Times dated November 3, it was stated that the amount is £15. My bank states that the amount is £25.

The statutory minimum is (and always has been, since the Finance Act 1951) £15: this figure is to be found in the first proviso to subsection 1 of section 17 of the Taxes Management Act 1970.

As your bank told you, however, the current practice of the Inland Revenue is generally to waive their power to demand details of amounts between £15 and £25.

Deeds in joint name

My husband has paid maintenance of £2.50 weekly under a court order since 1954 to his first wife. He is the sole owner by the deeds of our house, probably now worth £60,000 approximately. Is it worth having the house deeds altered to our joint names?

It is eminently desirable to have the house transferred into your joint names, or at least to have a declaration of trust made.

Loss of light by trees

From replies I have read recently in cases of loss of light from trees growing on the other side of a boundary, I gather than I can in any case cut back to the boundary. You have also referred to loss of light as a nuisance in law. Could you please enlarge on this? Have I any rights in addition, where my garden is concerned? In one part of our boundary, our fence is being overgrown by our neighbours ivy and pushed to our side by his neglected rose bushes, etc. Can anything be done about this?

We agree that you can cut back trespassing branches or roots as you indicate. The claim in nuisance for infringement of a right to light is resorted to where the offending growth is wholly on the neighbour's land. However, the light which is obscured must be light coming into a defined physical aperture, and we therefore think that you would have no claim for loss of light to your garden. As to the fence affected by the ivy and rose, you would be entitled to re-erect it in its proper place, and to cut the ivy or rose to achieve this. Technically you also have the remedy of an injunction but this would *only* be granted if serious damage were apprehended.

Proof of a codicil

Can a document entitled "codicil" purposely signed by a testator with two witnesses be proved as an effective testamentary document where no will can be traced?

If the codicil is the only testamentary script to be found it could be proved on its own: *Gardiner v. Courthorpe* 12 P.D. 14.

Pay by ex-husband

Referring to your reply under "Divorce in Scotland" on December 11, would continued periodical payments by a former husband be appropriate in the case where a former wife receives 50 per cent or more of the capital assets—particularly where there are no children of the marriage and the former wife has earning capacity of £4,000 pa? English law should be assumed.

Periodical payments might be continued in the circumstances which you suggest but very much would turn on the precise nature of the capital and of the husband's income in the case in question. Circumstances can easily be envisaged where the division of capital would be seen as concluding the financial provision, and periodical payments would be ordered to cease.

Finance act contravention

I am a foreign national not domiciled in the UK and I have been living in this country for three years. My duties are performed in the UK but my employer is a non-resident; therefore, acording to the Finance Act of 1974, my salary is subject to a standard deduction of 50 per cent. In addition to the standard deduction I am entitled to family allowances and reliefs.

Recently I was advised by my Inspector of Taxes that the relief I may claim in respect of the interest on the house loan is limited to 50 per cent of the amount involved. More specifically the assessment I received for the fiscal year ended April 5, 1979, was based on the following computation:

Salary	**£16,120**
Less: Loan interest	**763**
Deduction (16,120 −763 × 50%)	**7,679**
Personal allow.	**1,535**
Child allowance	**100**
Net taxable income	**6,043**

In my view this procedure is not correct as the standard deduction of 50 per cent is to be made on my salary prior to any other allowance and relief. Do you agree?

You should give notice of appeal, on the ground that the Inspector's calculation contravenes *paragraph 5 of schedule* 2 to the Finance Act 1974:

Amount of emoluments

5. For the purpose of the preceding paragraphs the amount of any emoluments shall be taken to be the amount remaining after any capital allowance and after any deduction allowable under Chapter I of Part VIII or section 208(1) of the and after any deduction allowable Taxes Act, section 21(4) or *22(2) of the Finance Act 1970*, or under paragraph 6 below.

6. Where the emoluments from an office or employment are foreign emoluments within the meaning of paragraph 1 of Schedule E and it appears to the Board, on a claim made by *the holder of the office or employment*, that out of those emoluments he has made payments in circumstances corresponding to those in which the payments would have reduced his liability to income-tax, the Board may allow those payments as a deduction in computing the amount of the emoluments.

When journeys end with relief

TAXATION

DAVID WAINMAN

IT IS a cardinal principle of our tax system that a taxpayer's expenses in travelling from home to work cannot be deducted from income in the calculation of tax liabilities. This has long been an unpopular rule and those most antipathetic have been known to describe it as one of the Revenue's sacred cows.

But if it is so sacred one might well ask why the authorities have seen fit to shoot it so full of holes? Some of these derive from legislative exceptions and others from concessions granted by the Inland Revenue.

It would be ungrateful but accurate to say that in making any such concessions the Revenue are operating outside the law: that they should either apply the law as it stands or have it altered. Judges trying tax cases remark from time to time on this apparently "unprincipled" behaviour, although they usually admit thereafter that the well-known concessions are less distasteful than unpublished or discretionary ones.

One exception to the original principle, stemming from a pair of House of Lords decisions, has been examined on an earlier occasion in this column (November 4, 1978). The *employee in each case* was hired to do a particular job some distance from his home. Both employers knew and accepted that not only were there no other individuals who could do the work concerned but also that there were good reasons why the employees could not move nearer to that work.

That is one very narrow exception. Other, apparently wider, categories of exception sometimes prove on examination to be something quite else. Sailors who pay off at Southampton but are then required after a leave period to join a ship in Liverpool, are said to get an "allowance." That is correct, but that does not mean that it is a tax-free allowance, still less a deduction.

But there are real exemptions. Published extra-statutory concessions make provision for three cases. An individual who is a director of more than one company in a group is regarded for tax purposes as having one main place of work, and can deduct his travelling costs from there to another place that his directorships require.

This gives him some relief for travelling to work—although it is not of course the same thing as allowing his costs from home to work. The same relief is available to the person who is a director of one group company and an employee of another.

A second concession does permit a director to escape tax on reimbursement of "home to work" expenses, where he is giving his services free to a company which does not seek to make profits for its shareholders. A club which is organised in a corporate form might be an example.

The third of the relevant concessions was one applying to the person going abroad to take up employment. If he retains his house in the UK, his travel from here to the country in which he is to be stationed will be a journey from home to work.

The Revenue reached the conclusion some considerable time ago that this was an unreasonable answer. They therefore announced that by extra-statutory concession they would not tax the reimbursement of travel between the UK and the foreign station. The concession covered travel for the employee's family—and placed no *limit on the number of journeys* which could be made: the practical restriction was the willingness of the employer to reimburse unlimited travel.

However, this concession required careful study to be understood in its proper context. It applied only where "the employment is one all of the duties of which are to be performed abroad." If the employment were to extend *through a full fiscal year*, the employee would have become non-resident, and would have no need of any concession to free him from tax on his earnings or the reimbursements which the Revenue bracket with them.

The concession was thus aimed only at those proceeding abroad for short periods—and even then it affected only the individual who carried out those short-term overseas assignments for an employer different from the one he worked for in between, when his duties lay in the UK. The concept of its being necessary to have separate employment contracts, (for UK and overseas duties respectively), was one which existed prior to 1974, but which has been substantially removed since that time.

The Revenue, as part of that removal process, brought in some new statutory provisions in 1977. And in doing so they declared their original concession to be "otiose": it now exists only for foreigners coming here, and mirrors for them the legislation explained below.

The main 1977 provision permits deduction of costs of travel from the UK to an overseas employment at the beginning of the employment period, and of the return at its end. It is not a condition (as it had been for the concession) that the employee must retain his house in the UK. Nor is it vital that the employer should reimburse the travel costs. But this particular section of the statute does not make allowance for a wife and children, nor for intermediate returns home.

Both of these last are dealt with in the second main 1977 provision. This applies only where the employee is out of the UK for a continuous period of sixty days or more. To keep up the necessary level of confusion, the draftsman has made it a requirement in this case that the employer must reimburse these expenses.

But if these conditions are met, relief can be claimed for *the costs of a wife and any child* accompanying the worker, or visiting him during his overseas sojourn. And he can return to this country after his 60 days to visit them. In fact every individual can have two tax free return journeys in any fiscal year—if the employer can stand it.

The cardinal principle of non-deductibility seems on examination to be not so much a sacred cow as a "holey cow."

Focus on price

CAMERAS

ALAN FRIEDMAN

WHILE SOARING prices take their toll across *Britain*, there is one area of consumer products where the UK shopper is at a distinct advantage. Manufacturers and retailers of 35m single lens reflex (SLR) cameras from Japan are allowing their prices to drop by as much as 25 per cent.

The price war in the High Street is in the portion of the camera market devoted to quality 35mm SLR equipment which is usually full automatic. It stems from several events, but has broken out largely because of the entry of the Comet chain of shops into the market and as a result of the termination of the Nikon-Pentax sales franchise held previously by the Rank Organisation.

With the break-up of the Rank franchises for Pentax and Nikon, the manufacturers initiated their own price cuts in several models. This affected the retail price policies of major camera chains.

The establishment of a larger and more active discounting force by chains such as Dixons and Comet has combined with other factors such as the strength of sterling to push SLR prices well below the £200 level at which they previously stood.

The average retail price for a standard SLR camera like a Pentax ME or an Olympus OM-1 stands at roughly £180, which is only slighter higher than the average price was about a decade ago.

At the manufacturing end of the business, the drive to increase market share has meant lower prices and the introduction of new products which take advantage of advanced photographic technology. Meanwhile, the pound's position against the Japanese yen and American dollar has caused more favourable prices during 1979. Thus, when VAT was increased last June, SLR camera prices did not rise by much.

In September, 1979, the Comet Radiovision group moved into SLR cameras for the first time. Within three months Comet had established camera outlets in 85 of its 150 shops. Their plan calls for full coverage by February, 1980.

Mr. Michael Hollingbery, chairman of Comet, said: "The price war is not necessarily hotting up. It is simply becoming more obvious." Mr. Hollingbery was referring to the *fact* that the SLR camera market in the UK is not a rapid growth area traditionally. Most estimates assume approximately 200,000 units sold per annum. This, in turn, has led to a highly competitive market.

But there is no doubt that *the Comet entry is a challenge* to market leader Dixons and to independent retailers. Comet expected to achieve a significant part of the market share within its first year. This could come to as much as 10 per cent by next September.

At Dixons Photographic, the market leader (with a share of about 50 per cent of the UK market), Mr. Mark Souhami, the group's retail division managing director, was confident of continued success.

"My policy is not to be knowingly undersold. Dixons will continue to increase its market share by opening new stores, including 20 to 30 new stores in 1980. We are also putting money into photography advertising, about half of our overall advertising budget of £3½m."

Among the reasons for lower SLR camera prices, Mr. Souhami cited the fact that since the U.S. market is flooded by Japanese *imports, some of the excess* stock may be re-imported into the UK. This same kind of "grey importing" could occur from West Germany.

Another important reason for keen pricing has to do with the higher interest rates which small dealers must contend with. As these retailers require cash they may liquidate part of their stocks by selling at lower prices.

But Mr. Souhami admitted that with the appearance of Comet in the market, Dixons could not afford to stand by idly. "We have seen several things happen and we were not prepared to be other than innovative," he said.

Innovativeness carries a cost, however, and Mr. Souhami noted that like competitors Comet and small dealers, Dixons was taking a hammering on SLR camera margins.

All of this amounts to good news for the UK consumer who would like to purchase a quality *SLR 35 mm camera for under* £200. Dr. Bill Roberts, of the Consumer Association, said: "The Comet entry into the market has made a big difference. It looks as if they are really cutting their margins."

Dr. Roberts offered this advice to the British camera enthusiast now looking for an SLR product: "It now makes sense for the consumer to shop around. There are significant differences in pricing."

The consensus among the retailers, manufacturers and consumerists appeared to be that the price war will subside into a generally competitive market.

The end of a honeymoon

MINING

KENNETH MARSTON

HONEYMOONS have to come to an end but they can lead to lasting happiness of a calmer and more satisfying kind. This week the end of the honeymoon in diamonds was confirmed by a virtually unchanged world sales value of R2.19bn, or $2.6bn, for rough (unpolished) diamonds sold in 1979 by the world marketing agency, De Beers' Central Selling Organisation.

This follows three years of record sales culminating in the 1978 boom when big stocks were built up in the cutting centres as a result of the trade holding on to its diamonds as a hedge against currency uncertainties. Last year's sales of roughs should have produced a new record value when price increases are taken into account, so it is clear that the amount of stones sold was lower.

A return to more normal conditions was forecast last March by Mr. Harry Oppenheimer, the world authority on diamonds and chairman of De Beers. While sales of the larger gems of one carat and more have kept up well as a result of investment buying — a highest quality one-carat polished gem, if you can find one, is now *worth all of $40,000 compared* with about $25,000 in July — price resistance has been felt in the retail market for the smaller polished gems.

The sales outlook for this year is uncertain, although not necessarily depressing. Jewellers may continue to use less diamond in individual pieces of jewellery and may well have to accept a reduction in profit margins which can go to 100 per cent or more. At the same time De Beers can be expected to pursue a vigorous sales campaign and, indeed, you have probably seen the latest television commercials.

De Beers should still have had a good year in 1979, especially bearing in mind the group's important gold income, and a modest increase in the thrice-covered dividend could be on the cards. Now yielding 8 per cent shares of this high calibre concern with its strong financial backing should be worth picking up for the longer term if the price comes back much further.

From Australia the Conzinc Riotinto of Australia headed Ashton diamond exploration venture has provided a summary of its 1979 sampling results from the two main areas, Ellendale and the more recently-discovered Argyle. It makes exciting reading but comments on the find being possibly "the biggest in the world" are premature, to say the least (remember Poseidon?).

A great deal more exploration work remains to be done. The two areas appear to have a very large concentration of diamonds and the diamond-bearing "pipe" at Argyle is huge by any standards. What remains to be seen is whether the Australian finds contain a fair proportion of the much more valuable large stones; so far the diamonds found have been preponderantly very tiny indeed.

However, it can now be said that Ashton has progressed from being merely a prospecting operation to a diamond mining proposition. There could be at least one commercial diamond mine in the making, but at this stage its likely profitability cannot be assessed.

Sharemarkets love to look ahead and the share prices of the participants in Ashton are already putting a value on the find of some £480m. In order to justify this, the discovery will have to be a real bonanza when you realise that its value in share price terms is now about 30 per cent of that of the great De Beers which has a dozen high grade and high earning diamond mines.

Turning to gold we have had the first of the 1979 December quarterly results from the South African gold producers. They have come from the Consolidated Gold Fields group and, as expected, make a fine showing. As detailed in the accompanying table, the sharply increased net profits have been based on an average gold price received in the quarter of about $400 per troy ounce. It is now above $600.

	Dec. qtr. R000s	Sept. qtr. R000s	June qtr. R000s
Doornfontein	8,234	5,754	5,401
East Driefontein	48,508	38,715	30,851
Kloof	27,896	20,447	16,818
Libanon	9,431	6,830	5,995
Venterspost	4,011	2,010	831
Vlakfontein	571	406	407
West Driefontein	44,740	36,951	29,442
Gold price	$400	$310	$260

The high gold price, however, can have its disadvantages for shareholders. For instance, it encourages mines to extend into neighbouring areas which is a costly business, although it is cheaper than establishing new properties. As a result **Libanon** and **Doornfontein** will be financing the costs of their expansion from profits with the result that while they can look to long term benefits from these "mines within mines" they will have to be careful in the meantime with their dividend distributions.

Even so, the whole industry continues to pay very well indeed and the next batch of increased dividends will come with the **Anglo American** group's quarterlies which are due to be published on Friday. As to the future of the gold price, the latest comment comes from bullion brokers, Sharps Pixley. They still see higher prices as inevitable for the near term in view of the continuing difficulties on the world political and economic fronts.

TIN OUTPUTS COMPARED

	Dec., 1979 tonnes	Nov., 1979 tonnes	Total to date tonnes	(months)	Same period previous year tonnes
Amal. of Nigeria (tin)	¶	166	1,082	(8)	1,163
Amal. of Nigeria (columbite)	¶	20	119	(8)	212
Aokam	184	148	949	(6)	720
Ayer Hitam	124	189	976	(6)	1,182
Berjuntai	344	299	2,547	(8)	2,797
Bisichi Jantar (tin)	¶	¶	167	(7)	220¼
Bisichi Jantar (columbite)	¶	¶	218¼	(7)	215¼
CRM Sri Timah	¶	64¼	790¼	(11)	1,285¼
Ex Lands Nigeria	¶	¶	102	(4)	108
Geevor‡	75	96	790	(9)	853
Gold and Base (tin)	¶	35	300	(11)	275
Gopeng	161	169¼	517	(3)	492¼
Idris	19¼	24	267¼	(12)	214¼
Kamunting	14	19	389	(9)	319
Killinghall	28¼	31¼	98	(3)	97¼
Kinta Kellas	¶	37¼	301¼	(8)	276¼
Kuala Kampar	20	20	203	(9)	188
Lower Perak	21	16	139	(8)	213
Malayan	268	302	1,805	(6)	1,578
Pahang	116	117	604	(5)	635
Pengkalen	15¼	16¼	48	(3)	23¼
Petaling	186	152	338	(2)	243
Rahman	¶	58	337	(5)	363
St. Piran—Far East	22	20	122	(9)	317
St. Piran—UK (South Crofty)	150	218	1,456	(9)	1,616
St. Piran—Thailand	74	81	740	(9)	892
Southern Kinta	110	125	1,265	(9)	1,281
Southern Malayan	199	177	1,035	(6)	1,239
Sungei Besi	187	171	1,498	(9)	1,695
Tanjong	14¼	14	226¼	(12)	190¼
Tongkah Harbour	41	33	228	(6)	238
Tronoh	164	167	2,153	(12)	2,408

‡Figures include low-grade material. ¶ Not yet available. Outputs are shown in metric tonnes of tin concentrates.

YOUR SAVINGS AND INVESTMENTS

The New Year has started with a bang for investment trusts

Lining up a Global strategy

BY TIM DICKSON

IT HAS been a hectic week for investment management companies. First, Globe Investment Trust, the largest in the investment trust sector, with assets of around £270m, ended months of speculation by announcing an agreed £18m takeover for West of England Trust, owner of the Bristol-based Tyndall Group of unit trusts. Then Rothschild Investment Trust, which recently swallowed up Hume Holdings and through Hume Dawnay Day, disclosed that it is now moving in (again through Hume) on Carliol Investment Trust and Tyneside Investment Trust with a view to ultimate unitisation.

What are private investors to make of these developments? Certainly the most intriguing is Globe's merger with West of England, for it raises the question of what ambitions Globe has for the combined group in the 1980s.

Investment trusts generally consist of a diversified portfolio of shares. The investment trust's role is generally passive — in other words, the investment trust does not interfere with the management of the companies in its portfolio and if dissatisfied will simply sell the shares.

Globe, however, as 100 per cent owner of West of England, does not intend just to sit back and collect the dividends. Mr. Michael Stoddart, Globe's joint managing director emphasises that the take-over is an excellent investment for Globe shareholders in its own right. But at the same time, he expects the combined management skills and the greater size of the integrated group will ultimately through new ventures reap greater rewards.

As Mr. Stoddart puts it "our expertise in marketing unit trusts is very limited at the retail end where Tyndall is strong. We believe that there will be growth at the retail end of general money management though we think this is most likely to be overseas.

"Our plans involve managing money for overseas institutions, an aim which seems to fit in with Tyndall's ambitions to market its services to overseas clients." Mr. Stoddard adds that there might be "a certain synergy" in the UK but the combined group would have its eyes primarily on overseas pastures.

Mr. Stoddart will not be more specific at this stage but says one possible market might be American pension funds anxious to diversify their portfolios out of the U.S. Tyndall's offshore funds, notably in Bermuda, could play a role here.

Electra Group Services Globe's management group, has been particularly active in recent years. Globe itself is the result of a merger in 1977 between Cable and Globe, which wiped out about £40m of investment trust paper through the disappearance of cross holdings.

A year earlier the two trusts had floated off a 25 per cent stake in Electra Investment Trust. Some critics argue that the stock is not easily marketable and that Electra Group Services should either buy back the minority or sell more shares to the public. Electra, however, has built up a good reputation for investments in smaller companies and unquoted situations both domestically and overseas.

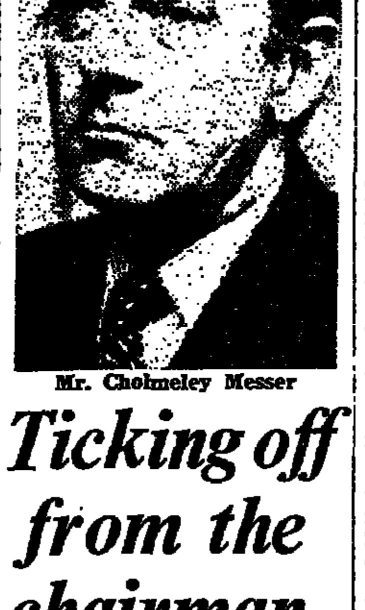
Its significant stake in the Oppenheimer Group in New York, which manages about £4bn, could conceivably lead to further money management tie-ups in the U.S. Finally, Temple Bar Investment Trust, the management company's third trust, has been trying to establish an identity with small- to medium-sized industrial companies.

Turning to the RIT/Carliol/Tyneside triangle, details of RIT's plans have yet to emerge. The proposals, however, which will "involve the continuation of the present board and management of the two companies in conjunction with Target Trust Managers (part of Dawnay Day) will preserve the special identity of the two trusts. They will essentially involve the unitisation of Carliol and Tyneside and shareholders will receive units in a unit trust which will substantially represent the net asset value of the companies."

So far RIT (through Hume) has bought 18 per cent of the shares of Carliol and 13.91 per cent of Tyneside.

Can Globe's bid for West of England and RIT's moves be connected in any way? Certainly Globe and RIT are among the more aggressive investment trust management groups, but stockbrokers James Capel see a closer link.

Given the background of decontrolled unit trust management charges the brokers view the Globe/West of England development as affording "Electra the opportunity to change the structure of the funds managed from closed ended to open ended as seems appropriate." It is an interesting idea but James Capel adds cautiously, "Whether or not this opportunity is ultimately taken remains to be seen."



Mr. Cholmeley Messer

Ticking off from the chairman

MR. CHOLMELEY MESSER, chairman of the Unit Trust Association, spoke out strongly this week against specific agreements by unit trust groups to give stockbrokers reciprocal business. He added that the matter will be discussed at the next meeting of the Association.

Reciprocal business — essentially share dealing business given to stockbrokers as a reward for introducing new unitholders—is a widespread if seldom publicised feature of the *unit trust* industry. The issue, however, has been raised again following a controversial circular sent to stockbrokers by Barclays Unicorn, one of the biggest unit trust groups with around £370m under management.

The circular promised that from January 1 stockbrokers who "establish to our satisfaction that they have made a positive recommendation to purchase *Unicorn unit* trusts will receive a reciprocal commission cheque on a one-for-one basis." It continued "If actual business subsequently results, reciprocal business will then be given on a three-for-one basis."

Asked about the circular Mr. Messer said: "Personally I think this is a misjudgment on the part of Barclays Unicorn.

UNIT TRUSTS

TIM DICKSON

Reciprocity is an inevitable part of the two-way service between a unit trust manager and a stockbroker but I do not like the way this has been done."

Mr. Messer agrees that all unit trust groups give business to intermediaries who help them but emphasised that there is no general ratio. "Three to one is by no means excessive though many people wouldn't do as much as that. What often happens is that groups decide at their year ends, on the basis of research assistance and client introductions, how much business they should give to stockbrokers."

Critics of all reciprocal business arrangements of this nature point out that unit trust groups could be open to allegations of "churning." In other words, if a unit trust manager is committed to rewarding the stockbroker he may be tempted to turn over his portfolio purely to generate sufficient business. Clearly, this would not be in the interests of unitholders.

Mr. Messer, however, maintains that there is no real danger of reciprocal business arrangements being abused. "I know there are connotations of reprehensible habits but stock brokers and unit trust groups have their reputation to protect." If a group took advantage of this sort of opportunity and was known to churn its portfolio, it would rebound in the long run, he added.

Mr. Messer emphasised that while he would be raising the issue of the Barclays Unicorn circular at the next meeting of the Unit Trust Association, no action would be taken. "I don't think this is the sort of matter you can put down on paper or make rules about. Nor is it something we can really monitor —it is up to each group to make their own arrangements as they see fit."

Meanwhile, Mr. Bill Hilling, senior investment manager of Barclays Unicorn, claims that the fuss about the circular is a storm in a teacup. "A lot of people say this will lead to churning but that is just not so. I know that churning damages a portfolio and we won't do this."

Mr. Hilling admitted that Barclays Unicorn sales last year had been disappointing but he added: "We are only in line with the rest of the unit trust industry."

Actuaries differ over share of profits

INVESTORS IN traditional with-profits life assurance contracts receive their return in the form of reversionary bonuses which are added to the policy at least once every three years during the term of the contract, plus a final or terminal bonus paid when the policy matures.

But a few life companies still do not pay any final bonus. The level of bonus depends not only on the investment performance, but on the actuary's calculation of profit and the amount given to policyholders—a process still surrounded by a certain mystique.

During the past couple of weeks, we have seen the results from those life companies which make early declarations ahead of the end-year valuation of assets and liabilities. This time, they form a somewhat varied pattern.

LIFE PROFITS

ERIC SHORT

The general investment pattern for life funds in 1979 is that there has been a substantial rise in investment income coming from the massive investment made over the past few years in high yielding gilts and *swollen by the rise in equity* dividends and property rents. But the market value of equities and gilts fell significantly over the latter half of the year.

Generally speaking, reversionary bonuses reflect the investment income position, and terminal bonuses the market movement of assets. There are other factors which enter into the actuary's calculations.

With the buoyant investment income, one would expect reversionary bonuses to rise for 1979. Some life companies have done this, notably Friends' Provident with a 35p per cent rise, Norwich Union with a 20p per cent increase, plus a special bonus, Guardian Royal Exchange with a 25p rise and Scottish Widows with a 20p increase in its interim rate.

But reversionary bonuses have not been cut by a major life company since the war. So many actuaries, who are cautious creatures by nature, are paying particular attention to the maintenance of bonus rates in the future.

A massive drop in the level of interest rates will put pressure on actuaries to consider cutting their bonus rates and no one wants to be the first. Some life companies appear to have adopted a "wait and see" policy and have held their bonus rates unchanged, for life contracts, including Sun Alliance and Equity and Law.

Investors should remember that many life companies operate a compound bonus system with the bonus rate being applied to the sum assured and attaching bonuses. So an unchanged rate still means a higher bonus added this year as compared with last year, since *the attaching bonuses are* higher.

For example, Sun Alliance declared a maintained bonus rate of £4 per cent of the sum assured and £6 per cent of attaching bonuses, the same as for 1978. A policy for £10,000 taken out in January 1970 would have received a bonus of £617 in 1978 and £654 in 1979. A policy for the same sum assured taken out in 1960 would *have* a *bonus of £1,031* added for 1979 against £973 for 1978.

The situation with terminal bonuses is somewhat more complex. These bonuses were introduced in the late 1960s and early 1970s, when traditional life business was under pressure from linked contracts, they were meant to reflect the capital appreciation in investments. The method of operation of the reversionary bonus system under conditions of changing market movements meant that capital profits emerged too slowly and went to the next generation of policyholders rather than the current generation.

The system worked well as long as market values rose, but the logical thing to do when market values fall is to cut terminal bonuses. Actuaries did this in 1974 and 1975 following the bear market, much to the consternation of the marketing side.

Some life companies still keep to the old concept and change terminal bonuses when market values move. But other companies have modified the system to include a measure of smoothing out market fluctuations and taking care not to cut the rate.

This meant that Friends' *Provident and National Mutual* kept to the old style and cut the terminal bonus rate. But most other life companies kept the rate unchanged. However, Scottish Amicable made a substantial increase to its terminal rate, while London Life and Scottish Widows made minor increases. Sun Alliance changes its rate on a monthly basis.

The table shows the effects of bonus rate changes on policies maturing early this year against those maturing late last year. While most have gone up, as expected, some have fallen on account of the cut in terminal bonus pulling against any rise in reversionary bonus. For example, Friends' Provident bonus changes offer good prospects for policies maturing in the future, but slight cuts in current maturities

Comparison of maturity values on with-profit endowments taken out by a man aged 34 for a gross monthly premium of £10.

	10 year contract maturing		25 year contract maturing	
	Jan. 1980	Dec. 1979	Jan. 1980	Dec. 1979
Company	£	£	£	£
Friends' Provident	1,802	1,806	7,726	7,744
GRE	1,730	1,726	6,783	6,771
National Mutual	1,742	1,755	6,610	6,776
Norwich Union	1,807	1,777	8,842	8,542
Royal	1,680	1,662	6,960	6,644
Scottish Amicable	1,747	1,652	8,281	7,477
Scottish Widows'	1,763	1,698	8,349	8,111
Sun Alliance	1,694	1,650	8,472	8,567
Sun Life	1,624	1,622	5,517	5,502

Bonds still hot stuff

HIGH INCOME bonds are flourishing in 1980 thanks to the high level of short term interest rates and in spite of warnings that the cooling-off notices implemented on January 1 would kill off this business. The current returns, shown net of basic rate tax in the table, look very impressive. Life companies now have to issue a cooling off notice for regular premium life contracts. These give policyholders the right to cancel their contract within 10 days and get their money back in full.

As we have explained before. these income bonds come in two parts, a series of one or more pure endowments and a regular premium endowment assurance with a guaranteed surrender value.

Life companies now have to issue a cooling-off notice for the endowment assurance. If the policyholder asks for his money back on the endowment assurance. This could be expensive for the life company.

The life companies, however, are simply sending out the cooling-off notices for the endowment assurance and withholding acceptance of the rest of the contract until the 10-day period has elapsed. Since the company has not formally accepted the proposal, if the bondholder asks for his money back, the whole investment is returned and the whole contract is void. Lawyers have told the life companies that this does not infringe the legislation on connected policies.

However, terms are so good that it seems unlikely that investors would try to "kill the golden goose" by cashing in for an immediate profit. The future of these bonds is most likely to be decided in the Budget and not before.

Current rates of return on income bonds, net of basic rate tax

Company	Return %
One year	
Canterbury Life	18
Merchant Investors	17½
Prop. Equity & Life	17¼
Albany Life	17½*
Windsor Life	17
* Paid half-yearly equivalent to 18 per cent annually.	
Two years	
Windsor Life	15
Skandia Life	14
Merchant Investors	12½

Source: Planned Savings—Rate Guide.

Eric Short

Fighting off attacks on the castle

BLEAK NEWS from the insurance industry this week suggest that householders face bigger and bigger premiums for home insurance in the 1980s.

People who insure their property see the premium rise each year as their cover is revalued in line with inflation of rebuilding costs. Those renewing this month face a 19 per cent rise in their premiums from this source alone.

But the insurance companies, accepting that the Englishman's home is his castle, have managed to keep the rates per £100 sum insured unchanged for over 50 years, the basic rate of insuring private buildings having been fixed at 12½p per cent (2/6d as it was in the 1920s).

But the 1970s saw a change in the weather pattern over the UK with more adverse weather in winter.

This has resulted in the castle being assailed from outside by the winter storms and undermined by the ever shifting ground. As a result, insurance companies have had to pay out ever increasing amounts on winter storms and are still paying the bill for giving subsidence cover free of charge. Household accounts of companies have been making losses for the past five years. So when two leading insurance companies, Sun Alliance and Phoenix, announced rate increases this week, ending the 50 year tradition, one is a little surprised that they have not done this before.

Nevertheless, a 20 per cent rise in rates, from 12½p to 15p per cent, is going to be a bitter pill to swallow at one go—premiums are going to rise by over 40 per cent this year. *Warnings from Sun Alliance* are that this increase will barely keep the householder account in balance. So *other* rate increases could come in a year or two.

General Accident and Eagle Star have already made the increase. Other insurance companies are likely to follow this lead during 1980. One obvious message is to shop around for cover to find a company which has not yet put up its rates, as many car insurance customers are doing.

But there is also some good news from the insurance companies this week. General Accident and Phoenix have also thrown over the tradition that householders should not have the slightest idea of what their insurance covers, by issuing policies that are incomprehensible to the layman.

These two companies, quite independently, have produced a home insurance policy in plain English that every householder should be able to understand.

But not everybody can laugh at a flood.

INSURANCE

ERIC SHORT

The problem up to now has been that because the policy is a legal document, it has been drafted by lawyers and amended, or added to, each time a change has been made to the cover. Or there has been a legal decision affecting a part of the contract. These two companies spent many man hours rewriting the policy document in plain English.

Companies used professional market research organisations to find out what the policyholder wants and to test the reaction of various phrases used. Their views meant there had to be several revisions before the final policy document appeared.

The results have been worth waiting for. Both policy documents *make it straightforward* to understand what cover is being provided. To start with they are in book form in standard type, not small print. One significant feature is that the number of words used has been significantly reduced, so reading is quicker anyway.

The average policy document is about 5,500 words long. Phoenix's is about half this *length, while General Accident's* is a few hundred words longer.

GA has adopted the successful format used on its plain language motor policy to insert explanatory sheets between each page of the book. Each explanatory page is in a different colour—to show that it has no legal binding, but is there simply to help the policyholder.

GA has also introduced other new innovations designed to help the policyholder understand his insurance. It produces a computer print-out schedule showing the value for the buildings, the value placed on general contents of the house and a list of the valuable items insured under "All Risks" section. And this schedule is updated and sent out, each time the cover changes—that is at least once a year.

This exercise will help the insurance staff explain the contract to the public especially at the time of a claim and thus will engender goodwill. But the exercise could put further pressure on insurance companies from the consumer.

The plain language not only makes it easy to understand what is covered—it also makes it easy to discover what is not covered. The home insurance policy is still a complex document. There could be pressure for a simplified type of insurance with few exclusions from the consumer.

In rewriting its policy, Phoenix revised its contract to produce a policy for the 1980s, It made over 40 amendments to the old style, reducing the number of exemptions. GA has simply rewritten its current Maxplan, but now could face the task of revising the scheme.

Home building policies now provide for "heave"—the opposite of subsidence. This happens when excess moisture causes *the ground under the house to* expand. Its usual source is the removal of trees near a house.

Bargain counter open

AN ATTRACTIVE savings opportunity goes on sale next month at post offices and banks. The offer is the new 19th issue National Savings Certificate, announced in November as part of a package to make National Savings more attractive.

The 19th issue, which has to be held for five years to give holders the full benefit, gives an effective overall annual compound return of 10.33 per cent tax free to everybody. The new certificate comes in £10 units (with a maximum holding of £1,500) which at the end of five years are worth £16.35 each.

The offer is highly appealing to high-rate taxpayers, who will be certainly well advised to snap up their maximum entitlement. The deal, however, also looks a good one for the basic-rate taxpayer, though nil-rate taxpayers will almost certainly do better by looking elsewhere.

The basic rate taxpayer should consider the following points. The important point about National Savings certificates is that the yield is guaranteed regardless of movements in interest rates—these are widely expected to fall later this year. The same cannot be said for some of the alternative homes for fixed interest savings, such as a bank or building society.

Take a building society, for example. The current Building Society Association recommended return for a five year term share is 12.5 per cent to the basic rate taxpayer. While this is plainly a better rate at the moment, the same may not be true in a year's time.

SAVINGS

TIM DICKSON

Building society interest rate changes do tend to lag behind shifts in the level of Minimum Lending Rate—but like their competitors building societies have to take note eventually.

Admittedly, the societies look determined to seek funds more aggressively in future — and depending on the attitude of their political masters this may mean generally higher deposit rates (and mortgage rates) than in the past.

It does, however, seem likely that the level of interest rates will on average be lower over the next five years than they are at the moment.

Looking at comparable gilts, Treasury 15 per cent 1985 (on the basis of Thursday's price of 99½xd) yields for the basic rate taxpayer 10.43 per cent to redemption — fractionally more than the new 19th issue.

If you hold this stock to redemption, the behaviour of interest rates and the gilts market will not affect the return. But assuming rates move lower and the gilts market move higher you could do better by selling in the market and taking a capital gain.

A final word about those National Savings certificates: Holders of the current 18th issue should cash in their holdings and buy the 19th—but only assuming they are prepared to wait for five years. If you think you may need the money before that the 18th is still a better bet because of the cash-in penalties.

M & G—a special case

IT LOOKS as though the M&G unit trust group may turn out to be a special case after all. Just before Christmas, it announced that it faced a potential tax liability of up to £7m in respect of overseas life assurance business.

The initial impression was that the group could prove to be no more than the first victim of a general crack down by the Inland Revenue on the use of offshore funds for purposes of tax avoidance—a question of bad luck as much as of bad management.

That was probably wide of the mark. Doubtless a number of fringe companies involved in this kind of business are now under the Revenue's microscope. But M&G said this week that its problems were entirely the result of flaws in the wording of the particular insurance contracts. In the group's view, *it was extremely unlikely that* any other respectable company would be in the same boat.

The way that it has reacted to the setback supports the impression that its problems are of its own making. Although it is hopeful that the eventual sum will turn out to be a lot less than £7m, it has admitted its liability promptly. There has been no suggestion of an attempt to fight the Revenue through the courts, as might have been the case if matters of general principle had been at stake. The resignation of its two senior executives also points to the fact that the responsibility lay with management, rather than with a vindictive taxman.

However, the group seems to be pulling through its hour of crisis in good shape. The security of its unit trust and insurance policyholders was, of course, not affected by the blunder, and the entire cost fell on the shareholders in the holding company. But there was always a risk of a break in confidence, which might have been very damaging to a group of its standing.

In the event, its customers have recognised that their best interests lie in the continued support of a company which has kept intact what is by far its most important asset—a highly successful investment management team. M & G has been gratified by the initial reaction to the news, and the flow of new business is apparently continuing as normal.

It will be some months yet before the full effects of the upset on the group's standing in the financial community can be gauged completely.

The group recognises that it is one thing to get the backing of friends and another to win over people with whom it has not done business in the past. The overall impression, though, is that M & G has reacted in a proper fashion to its mistake and will not suffer lasting damage from it.

Richard Lambert

UNIT TRUST AND INSURANCE OFFERS

Numb, broke and angry in the high street

"Your card has been retained. Please contact your branch for details."

If, like me, you make use of Automatic Teller Machines (ATMS) such as Barclaybank or Lloyds' Cashpoint at weekends and in the small hours of the night, the advice is of little value.

You stand, as I did last week, numb, broke and angry, staring at the descending portcullis as it cuts you irreversibly off from your only source of funds.

There is no manager to plead with or attack. I have now been deprived of my card twice and my first reaction was to assume punishment for some misdemeanour in the conduct of my account. But, no.

My bank—it shall remain nameless, as it has served me well—is a model of diplomacy. Excuses include: the card was out of date, I must have punched in the wrong number, a replacement is in the post.

Explanations are all very well in the long run, but little compensation for the lack of money at the crucial moment, and the long walk home.

I am perhaps more unlucky than most in having had my card swallowed twice in a year. But an experience which might strike a chord with other users is the frustration of a wearisome journey only to find the ATM out of service.

Several times I have trudged the length of Charing Cross Road in London down the Strand and up through Covent Garden to Southampton Street in order to satisfy my requirements.

The main reason why these machines go out of service is the heavy demand for cash at weekends. The problem is now being remedied by programming heavily-used ATMs to dispense only £5 multiples, thereby eliminating the need to carry one-pound notes. This has been an improvement. Furthermore, a new generation of machines is now forthcoming from NCR which supplies Barclays, Midland, and NatWest.

The NCR 1780 is electronic from the tip of its buttons to the bottom of its VDU screen —little scope you would think for mechanical failure here. Sad, then that it was into a 1780 that my card vanished last week!

ATMs are a blessing to the customer. It is only through my decadent approach to cash-carrying that I place on them an unreasonable burden. But why, given a basic conformity of hardware, can the three banks using NCR machinery not provide a pooled service, at least for cash dispensing purposes?

It is done in Sweden—and in Switzerland. Transactions through the ATMs are cheaper than over the counter, though all but one of the clearing banks make the same charge for both types. Pooled machines would give higher utilisation with consequent savings. And they would cut to a minimum those frustrating walks from one "out of service" machine to another.

Robert Cottrell

PROPERTY

Wooing buyers

BY JUNE FIELD

WHAT WITH the holiday shutdown, the weather, the economic climate and the political situation, we have got to do something to get the cash-flow moving, a builder admitted somewhat despondently at a small country building site this week.

Anyone viewing appeared to be "just looking," and as this builder ran a relatively small firm, for him it was not going to be too easy to offer incentives to get the adrenalin going for an actual sales commitment.

Some of the bigger companies have been quick off the mark with inducement schemes for buying new homes: and with their special relationship with the building societies, can, subject to a prospective buyer's status, offer ample mortgage facilities.

Barratt's have extended their "mortgage rate frozen at 11¾ per cent" offer made in the autumn, and Wates are now offering to freeze the rate at 12.5 per cent: while Bovis Homes, pioneers of the cash hand-back mortgage relief scheme (their first was launched in 1973), are introducing a 3 per cent mortgage rebate over 12 months. On a £20,000 mortgage this adds up to a cash rebate of £600.

"*Claim up to £1,000 towards* your New Ideal Golden Key house" is the campaign being run by New Ideal Homes who, together with Trollope and Colls are part of Trafalgar House Group building division: "This will allow you to claim up to this amount to subsidise your mortgage, increase your deposit, defray your legal expenses or speed the sale of your present house," also pointing out that the discount effectively freezes your mortgage interest at 12½ per cent for the next 18 months.

What this means is that although contracts are exchanged at the full purchase price—say for example £30,000—when you come to complete you can knock £600 off what you have to pay: in other words a 2 per cent reduction. Contracts must be exchanged within eight weeks of reservation. The scheme, which was launched a week before Christmas, and is to operate initially until mid-February, has already attracted a considerable amount of interest.

Says Mr. Christopher Price, marketing director: "We looked at various ways of trying to help purchasers, and originally thought of offering to pay the stamp duty, which always seemed to us to be the last straw when it came to adding up the extras. But this looked like being far too complicated an operation."

For more details, and locations of the Golden Key sites, which are mainly in southern England (East Grinstead, Woking, Weybridge and Winchester), contact Mr. Price, New Ideal Homes, Freepost, GU 211, BR, Woking, Surrey (048 62 76155).

Just how do the rebate schemes actually work? For instance, Bovis Homes will pay a purchaser £450 on a £15,000 mortgage, which is equivalent to a gross amount of over 4¼ per cent for those paying income tax at the standard rate. The rebate will be payable by 12 monthly instalments beginning immediately after the date of legal completion, or alternatively, it may be paid in one lump sum. The scheme has been carefully devised in consultation with the Inland Revenue, to make sure that a purchaser will not be liable for any tax on the rebate.

Even if the mortgage interest rate comes down within the 12-month period from legal completion, Bovis will still guarantee to pay the full rebate, and if you sell the house within the period of the agreement, you don't have to give any of the money back. All this goes into the contract of sale for your solicitor to check, and all that Bovis insist on is that on completion the solicitor provides an examined copy of the mortgage(s)—if finance came from two sources, i.e. a building society and a "top-up" from an insurance company, this is acceptable—as evidence of the loan commitment, and to enable the amount to be calculated.

For a leaflet on the scheme, and addresses where you can find their sites (New Ash Green in the South-east, Cheltenham in the South-west, Birmingham in the Midlands, Glasgow for the Scottish region), write to Andrew Bond, group information centre, Bovis Homes, Liscarton House, 127 Sloane Street, London SW1.

Wates don't actually give you the cash. According to the size of the loan, their rebate, (i.e. the difference, net after tax relief, between 12.5 per cent and the current 15 per cent building society rate), up to £400, is paid into a building society share account in the purchaser's name. This of course attracts the current deposit interest rate. At the moment the offer is available up to October this year, but it will be revised in the summer says Mr. Roger Horton, sales and marketing director, who told me that several building societies have welcomed the scheme.

For leaflets on buying procedure from the time house construction begins and a reservation fee paid, to financial completion which is a minimum of seven days after the final building society survey, write to Mr. Horton, Wates, 1260 London Road, Norbury, London SW16.

The company also produces a useful folder "Welcome to Wates" with their site details, which sets out the standard items included in their homes—extras such as fitted curtain tracks, television and telephone points, door-bell, doormat and dustbin, plus a box of 13-amp plugs. If you say which district you are interested in — Berkshire, Hertfordshire, Kent, Middlesex, Northamptonshire, Oxfordshire, Surrey and Sussex—they will put you in touch with the appropriate site sales office. The price range is two-bedroom terrace houses from £25,650, four-bedroom detached houses from £34,000, and from £21,750 for one/two-bed flats, with three-bedroom detached bungalows from £52,950. New developments coming up include town houses in Hackney, London E9, bungalows and four-bedroom houses in Stevenage.

One of Wates' most interesting developments looks to be "Stanhopes," built within the conservation area of the pretty village of Limpsfield, Surrey, a 20-mile drive from London; the complex occupies part of the grounds of the 18th-century manor house, once called Stanhopes after the family who owned it. (Philip Stanhope's father was Lord Chesterfield who wrote the famous "Letters to his son"). The village, with its attractive mixture of tile-hung wealden and Tudor timber-frame houses, includes the Old Court Cottage, originally an early 13th-century courthouse, the oldest surviving timber-frame house in the South of England. The church is mostly 13th century, with a Norman tower, and composer Frederick Delius is buried in the churchyard.

The four- and five-bedroom, two-bathroom, tiled or timber-clad, linked or detached houses, are set around a central green, with views of the North Downs and surrounding countryside: prices are in the £85-£100,000 bracket.

Reduction is also a promotional tactic of Focus 21, who have reduced the price of their houses at Feltham (three- and four-bedroom town cottages from £34,500), and in Blackheath, where similar accommodation is from £42,500. The company felt that the higher mortgage rates were possibly the reason why people were delaying looking for a new home, and that the reduction will lower the cost of repayments nearer to the pre-increase mortgage cost, and so provide an incentive to buy.

A four-berth cabin cruiser is the incentive offer that goes with the four-bedroom, two-bathroom Riverlea, Kings wood, Wraysbury. You get it free when you buy the house which has its own 55-ft frontage to the Thames. Offers in the region of £125,000 to include furnishings are being invited by Ian Stewart, Savills, 5 Mount Street, London W1

Halcombe House, Malmesbury, Wiltshire in about eight acres which include six acres of paddocks, plus hard tennis court and kitchen garden. Offers in excess of £140,000 are being asked for the six-bedroom, four-bathroom house, self-contained flat and stabling, through Hampton and Sons, St. James's, London SW1

GARDENING

How to make them climb up the wall

BY ARTHUR HELLYER

GOOD GARDENERS exploit every natural advantage their gardens offer and sunny walls must rank high among these. Not only do they afford protection to plants (all walls do that, even those that are shady) but they also trap so much warmth in summer and early autumn that growth attains a degree of ripeness often impossible in Britain.

Ripeness determines to a considerable degree whether growth survives or succumbs to cold in winter. August and September are usually so much warmer in most of eastern America and this is why plants can thrive there which seldom do much good in Britain, though our winters are much less severe.

Two climbers that I am about to plant on the south facing wall of a new store shed are *Actinidia kolomikta* and *Campsis radicans*. They could scarcely be more different in character and they need the warmth of a wall for quite different reasons.

The *campsis* is distinctly tender and in less sheltered places it is likely to be damaged severely most winters. It is true that it can be pruned quite hard each March and will still have time to make strong stems by August which will bear good crops of its striking scarlet and orange trumpet-shaped flowers, but only if the growth to which it is cut back is itself strong and healthy. In a cold place the plant will either die or produce weak stems and no flowers.

There are two species of *campis* and a hybrid between them. *C. radican* is native to the south-east of the U.S. and is the hardier of the two. The other, *C. grandiflora*, comes from China and has larger flowers a little less strongly coloured and in Britain not always so freely produced, though the warmer the position the better the performance.

The two species cross so readily that one might wonder if botanists are really correct in declaring them entirely distinct. But whatever the truth, it is one of the hydrids, named *Madame Galen*, that gets most of the praise and publicity. It is certainly a fine plant with the flower size of *C. grandiflora* and a little of the greater toughness of *C. radicans*, yet I am content to be planting this latter species. It is by far the best at supporting itself with aerial roots, like an ivy, and it is certainly the most likely to flower regularly and freely in my cold garden.

Incidentally, I am buying it, not as *Campsis radicans*, but as *Tecoma radicans*, a former name which some of the nursery trade has not yet abandoned. It is just one more example of the confusion caused by our lack of an approved list of garden names.

There is nothing in the least tender about *Actinidia kolomikta* which grows wild in Manchuria where winters must be far more savage than anything we experience in Britain. The reason for the sunny wall for this plant is that without sun and warmth in spring and summer the leaves may not produce the remarkable variegation which makes the plant so desirable.

These variegations, which can make some of the young leaves almost wholly cream and pink, are quite natural to the species and are not a freak observed in gardens and preserved by vegetative propagation. You could grow *Actinidia kolomikta* from seed and still get just the same unique colour effects, though there might be some difference in quality from plant to plant. This is one of those species in which some plants are wholly male and others wholly female, and the males are said to produce the best leaf colour.

The plants are twiners which require wires, trellis or something else around which to wrap their slender stems. They are not usually regarded as very vigorous but there is an immense plant on the upper terrace at Crathes Castle not far from Aberdeen.

Two other climbers I would be glad to have on my sunny wall are *Solanum jasminoides* and *S. crispum*. Again they are very different though they belong to the same genus but this time there is no doubt that they are distinct species and there is no interbreeding between them.

Solanum jasminoides is a true climber with long slender twining stems. The starry flowers are produced in loose sprays from July well into the autumn if the weather permits and they are much to be preferred in their white flowered form, Album, since the common form has rather dull slatey blue flowers.

Not so *S. crispum* which is always a fine violet blue, each flower enlivened by a little central cone of yellow anthers. It is not really a climber for it neither twines nor has any tendrils or aerial roots with which to cling to anything. However its stems are long and supple, easily trained on wires or trellis and crying out for a sunny wall to bring out the full beauty of this fine plant.

There is a magnificent specimen at Sissinghurst Castle in Kent which must have made many visitors wish to possess it. Given sunshine and warmth, it is not in the least difficult and it will thrive in most soils with a special liking for those containing lime.

At last a few nurseries, other than specialists such as Hilliers of Winchester are beginning to stock these and other previously rather scarce plants. I actually picked up a fine plant of *S. jasminoides* a few months ago quite cheaply in a garden centre and there were plenty more in stock.

Even my *actinidia* most surprisingly came from a garden centre and I can only asume that some of the wholesale nurseries which supply most of the plants sold in these establishments are becoming much more adventurous.

If the sunny wall is still not overburdened there are plenty of other candidates for protection, all the evergreen *ceanothuses*, of course, but also less familiar plants such as *Abutilon magapotamicum* with charming little lantern shaped red and yellow flowers dangling from slender stems and continuing non stop from July to October and *Fremontodendron californicum* (it was *fremontia* until the botanists changed its name a few years ago) with stiff stems, saucer shaped yellow flowers and interesting leaves, lobed, crimped and covered beneath with tawny down.

It grows readily from seed so if you cannot find it in a nursery or garden centre it might be worth trying a specialist seed firm or even badgering a fellow gardener who is lucky to own a plant.

RESIDENTIAL PROPERTY
Also appears today on Page 4

MOTORING

U-turn for the better

BY STUART MARSHALL

FOR THE 5,000 or so inhabitants of Westerham, Kent, life took a turn for the better in the closing weeks of 1979. The crushing volume of traffic, including hundreds of articulated lorries each day, that had been shaking the town's historic buildings, deafening and endangering its people, suddenly diminished.

Life improved, too, for the villages of Brasted and Sundridge nearby. Like Westerham, they had the misfortune of being bisected by the notorious A25. But their ordeal by juggernaut was suddenly over and the people literally danced in the streets.

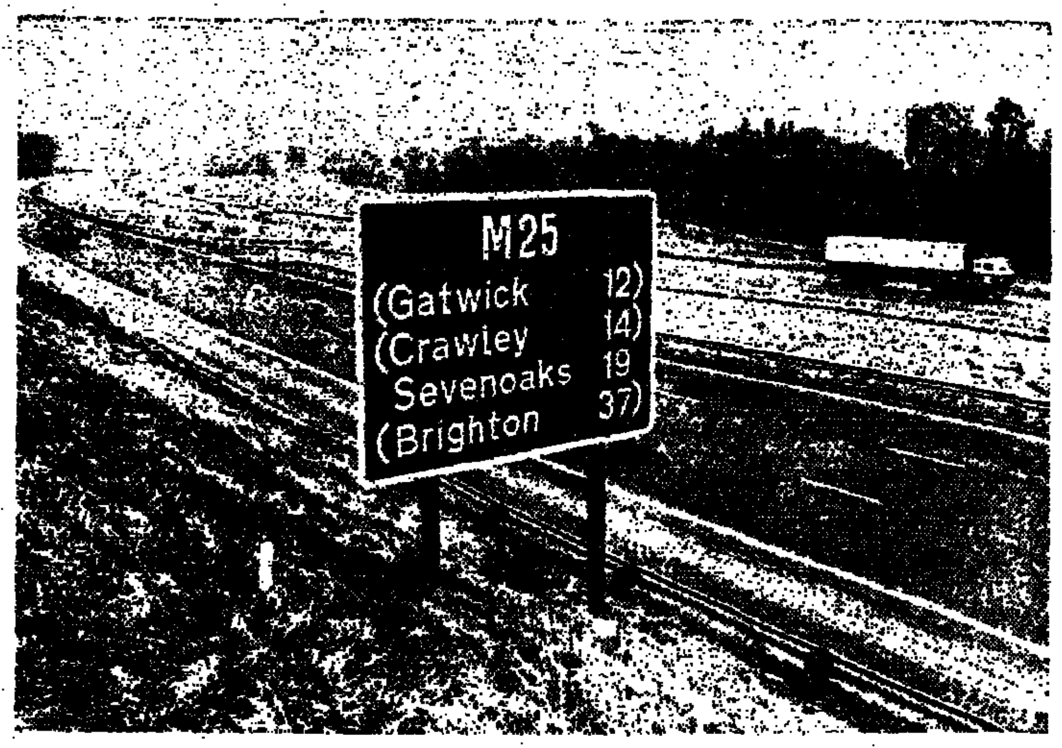
The reason, of course, was the opening of the latest nine-mile section of the M25. This is London's orbital motorway, which has been making a snail-like and piecemeal progress around the capital for a decade, though the need for such a road was first identified before World War I and its construction was seriously contemplated in the 1930s.

About one-third of M25 is now open for use. The government regards its completion as top priority and has forecast—many think over-optimistically—that it will be finished in 1985. Then it will link all the radial motorways—the M1, A1(M), M11, M2, M20, M23, M4 and M40.

Not only will it improve the lives of hundreds of thousands of people in rural and suburban communities. It will keep out of London a huge though not easily quantified volume of traffic that now has to go through it because there is no practical alternative.

I have to declare an interest here because I live in West Kent and I can't avoid going through inner London (or at least some inner suburbs) when driving north or west. My 30 or so trips to Heathrow each year involve 100-mile round journeys using country lanes, residential roads, high streets and a maddeningly brief — though much appreciated — stretch of M25 from Godstone to the top of Reigate Hill.

There, the M25 stops dead. The earthmoving and civil engineering for the next stretch was finished more than four years ago. It has grown a fine crop of weeds and provided a resting place for colonies of scrap dealers' caravans. And that is all.



The M25, a new link in the orbit

Traffic pours off the M25 at Reigate Hill and heads north and west, for the M3 and M4 and Heathrow. Some mornings, there is an almost continuous jam on the Heathrow route from Hampton Court Bridge to Hampton Church.

Soon, the situation will worsen, because the link between the M20 and M25 will funnel even more traffic (especially heavy lorries) up to Reigate Hill. Then, they have nowhere to go except the suburbs.

Motorway construction invariably leads to protests. People who are against motorways tend to be articulate and well versed in the theory and practice of opposition—especially the semi-professional protestors. Some are against motorways as such, though it is not clear what they propose as an alternative solution to urban environmental pollution from excessive traffic.

Others offer qualified opposition. They are in favour of motorways that run through someone else's neighbourhood, but not their own. But it is not often one hears from a group of householders demanding that a motorway be built, even though the average motorway benefits overwhelmingly more people than it inconveniences.

So it gives me pleasure to mention the Association of Ewell Downs Residents, past whose homes flows the flood of traffic from the present end of the M25 at Reigate Hill and travelling on to M3, M4 and Heathrow.

The association has petitioned Parliament to get a move on with the next section of M25 that will by-pass Leatherhead, link up with the M3 and M4 and stop the traffic clogging their local roads. No doubt the beleagured citizens of Hampton, Hanworth and Feltham are right behind them.

The association surveyed traffic passing along a typical main though residential road in its area (Reigate Road, Ewell), found that the average was 1,275 vehicles per hour between 7 am and 7 pm and petitioned Parliament for relief.

All this traffic (about five per cent of it heavy lorries and coaches) was causing intolerable environmental conditions and the situation would only improve when the links between M25, M3 and M4 were made. "That is why our members are up in arms wanting to know why there has been such a long delay in completing M25."

The reason, it must be said, has as much to do with the democratic process as it has with any shortage of road-building finance. There was a marathon public inquiry last year into the siting of the Leatherhead interchange (an essential part of the M25 extension) and a further inquiry is due into the route of another section of the motorway leading to the M4.

But it seems probable that the go-ahead for the section running south of Ewell and Epsom and then up toward the M3 will not be delayed for much longer. By 1982 or 1983 then, the citizens of the area may find it possible to dance in their streets without risking death under the wheels of juggernaut convoys. I won't be there to join in.

They will be glad to hear that I, and thousands of other involuntary trespassers on their suburban calm, may never have to drive near their homes again. We will be speeding along the M25, en route for Heathrow or points North and West.

Keep your distance

If you are following a new BMW 7-series car later this year along a slippery road, keep your distance, because if its stop lights go on, you could hit it up the back. About 700 of BMW's 7-series flagships are being imported from May onwards complete with an electronically-controlled anti-lock braking system that dramatically improves stopping power.

Panic braking, as I discovered during a preview drive this week, will not cause a skid on wet or muddy roads because the system prevents wheel locking and thus loss of tyre grip. It will add about £650 to £700 to the price of the car and might bring about the return of a very old motoring accessory indeed—the red triangle that warned following drivers a car had four-wheel (or in this case, anti-locking) brakes.

BMW developments in the pipeline include a turbo-supercharged diesel car and a six-cylinder petrol engine that can have half its cylinders shut down to save fuel at the touch of a button on the gear lever. Both could be on the market within two years.

CHESS

ERIC SHORT

BRITISH players made their best start for many years in the ICL international at Hastings where Jonathan Speelman took an early lead while Nigel Short in successive rounds defeated two strong Americans—Seirawan, the reigning junior world champion, and grandmaster Lein, twice U.S. Open Champion.

Short's debut at age 14 gained in merit since he had to recover from a severe defeat by Speelman in the first round when the schoolboy seemed affected by the occasion. Nigel has been studying Nimzovich and his fourth move in this game was one of the great writer's recommendations, but Speelman won with two simple strategic themes. He pinned the king's knight and weakened the black king's pawn defenders, then established a knight on a dominating central outpost.

White: J. S. Speelman. Black: N. D. Short.

Opening: Nimzo-Indian (ICL Hastings 1979-80).

1 P-Q4, N-KB3; 2 P-QB4, P-K3; 3 N-QB3, B-N5; 4 P-K3, BxN ch.

Nimzovich liked to double the pawns before White could play N-K2, but modern theory judges the capture premature compared with P-B4 or P-QN3.

5 PxB, P-Q3; 6 B-Q3, 0-0; 7 N-K2, P-B4; 8 0-0, P-K4; 9 N-N3, R-K1; 10 Q-B2, B-Q2?

Black's game is inferior since White can start a central action with P-Q5, P-K4, and P-KB4—but the bishop move is a blunder and should be replaced by N-B3.

11 N-K4! BPxP (NxN; 12 BxN wins QNP or KRP); 12 KPxP! PxP; 13 B-N5!

Recapturing the pawn is unimportant compared with this powerful pin.

13 . . . N-B3; 14 BxN, PxB; 15 NxQP, R-K3; 16 P-B5!

Again more forcing than 16 BxP ch. White now has chances on two white diagonals leading to the black king.

16 . . . Q-R4; 17 PxP, NxP; 18 Q-B4, Q-R5. If the knight retreats 19 Q-KR4 gives a decisive attack.

19 Q-Q5, P-B4; 20 B-B4!

Forcing material gain. If 20 . . . N-B3; 21 NxP (B7).

20 . . . N-N4; 21 BxN, BxB; 22 QxNP. Resigns. He loses at least the bishop. It says something for Short's character that next day he bounced back with this fine positional win.

White: N. D. Short (England). Black: I. Zilber (Israel).

Opening: Caro-Kann (ICL Hastings 1979-80).

1 P-K4, P-QB3; 2 N-QB3, P-Q4; 3 Q-B3 (playable here since the knight is often developed at K2 in this opening), PxP; 4 NxP, N-B3 (N-Q2 and KN-B3 is simpler); 5 NxN ch, KPxN; 6 B-B4, B-Q3; 7 N-K2, 0-0; 8 P-Q4, N-Q2; 9 0-0, N-N3; 10 B-N3, P-QR4; 11 P-B4, P-R5; 12 B-B2, B-B2 (NxP fails to 13 Q-Q3, but P-QB4 is more energetic); 13 B-Q2, B-K3; 14 P-QN3, Q-Q2; 15 B-B3, KR-K1; 16 N-N3, PxP; 17 PxP, RxR; 18 RxR, BxN?

Presumably Black intended R-R1, then changed his mind. First thoughts were better since after the text Short soon mobilises his pair of bishops.

19 RPxB, N-B1; 20 Q-Q3, P-KB4; 21 P-KN4.

White's target is the long dark diagonal.

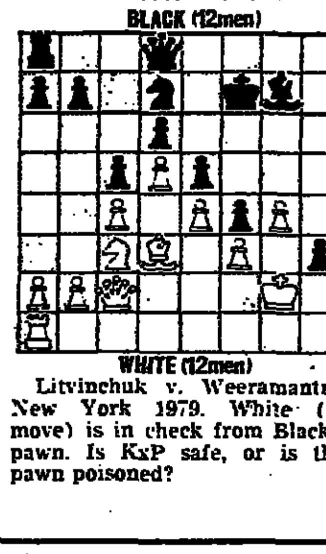
21 . . . N-K2; 22 B-N4, P-KN3; 23 B-B3, P-B3; 24 P-N5!

The same theme, and already decisive. The diagonal threats induce Black to give up a knight for three pawns, but the pawns prove to have little chance against White's roving bishops. The rest is easy to follow and Short's technique is accurate—he got a book on Capablanca for his tenth birthday and made good use of it.

24 . . . PxP; 25 P-Q5, NxP (PxP; 26 Q-Q4); 26 PxN, QxP; 27 Q-K3, P-B5; 28 Q-N6, P-B4; 29 R-K1, Q-B3; 30 QxQ, PxQ; 31 B-B6, P-N5; 32 B-N5, P-B6; 33 PxP, PxP; 34 R-K3, B-B2; 35 RxR ch, BxR; 36 B-K7, B-B2; 37 BxBP, B-Q4; 38 K-R2, K-N2; 39 K-N3, K-B3; 40 B-Q4 ch, K-N4; 41 P-N4, P-R4; 42 B-K3 ch, K-B3; 43 K-R4, B-B2; 44 B-Q4 ch, K-K2; 45 B-K4, B-K1; 46 BxKBP, K-Q3; 47 K-N5, K-K3; 48 B-K4, K-Q3; 49 P-B4; Resigns.

POSITION No. 302

BLACK (12men)

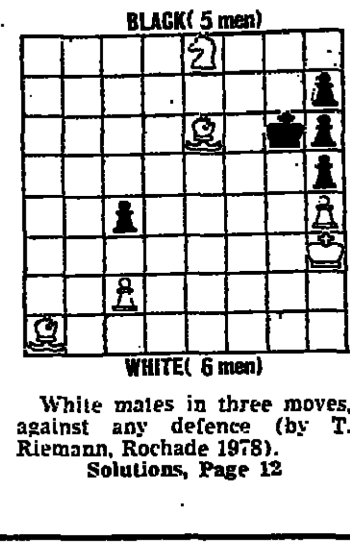


WHITE (12men)

Litvinchuk v. Weeramantry, New York 1979. White (to move) is in check from Black's pawn. Is KxP safe, or is the pawn poisoned?

PROBLEM No. 302

BLACK(5 men)



WHITE(6 men)

White mates in three moves, against any defence (by T. Riemann, Rochade 1978).

Solutions, Page 12

BRIDGE

E. P. C. COTTER

I WAS grateful for a couple of hands given to me by two of my friends with whom I play regular partnerships. The first occurred in a teams-of-four match at international level:

	N	
	♠ 5 2	
	♡ K 7 6	
	◇ A 10 7 4 2	
	♣ 7 5 2	
W		E
♠ 9 8		♠ K 4 3
♡ 10 3 2		♡ A Q J 9 8 5
◇ J 6 5 3		◇ Q 9 8
♣ Q 9 4 3		♣ J
	S	
	♠ A Q J 10 7 6	
	♡ 4	
	◇ K	
	♣ A K 10 8 6	

With both sides vulnerable South dealt and opened the bidding with one spade, North said one no trump, and East came in with two hearts. The opener now rebid four clubs, North said four spades, and all passed.

West led the two of hearts, a bad lead caused by slavish obedience to "lead low from three to an honour in partner's suit." He should, of course, start with the 10—it might be vital. Well, said my friend, how do you play it?—he showed me, need I say, only the North and South hands.

I play low from the table, I said. What does East return? The Knave of clubs—how do you proceed? I win, overtake the diamond King with dummy's Ace, and lead another club—East, I suppose discards. Yes, he throws a heart. I make my King and lead a third club, which West wins, and I ruff another club, either immediately or later with the five of spades.

You are the only person who played it that way, said my friend. That makes the contract, because the added chance that West held both nine and eight of trumps comes off. Two of the original declarers, famous names both of them, played for East to hold King and another trump, and went down.

If East returns a diamond at the second trick, the contract is defeated, because the declarer is forced to take his diamond entry before he is ready for it.

Friend number two brought this offering:

	N	
	♠ A K 8	
	♡ A 5 4	
	◇ 7 5 4	
	♣ Q J 10 9	
W		E
♠ Q 5		♠ 2
♡ K Q J 10 8 7 2		♡ 9 6
◇ A Q 9 8		◇ J 10 2
♣ —		♣ K 8 7 6 4 3 2
	S	
	♠ J 10 9 7 6 4 3	
	♡ 3	
	◇ K 6 3	
	♣ A 5	

The deal, supposedly from rubber bridge, is far more difficult than the first hand—even aux cartes ouvertes you may find it baffling.

With both sides vulnerable, West dealt and bid four hearts, North doubled, and South said four spades. West persisted with five hearts, and North's five spades concluded the auction. West led the King of hearts—how should declarer plan his play?

The solution is neat and fascinating. West's heart King is allowed to win, and the heart continuation is ruffed in hand. Now the declarer draws trumps with Ace and King of spades, and then leads the club Queen. East, of course, does not cover, and now comes the key-move. The Ace of hearts is led, and on it South discards his Ace of clubs. Then follows the club Knave, which East must cover sooner or later. Suppose he covers at once—declarer ruffs in hand, returns to the eight of spades on the table, and discards two losing diamonds on the established 10 and nine of clubs.

A beautiful example of precision timing, and the discard of the club Ace to set up the ruffing finesse position is very pleasing.

TRAVEL

How to discover Britain

BY SYLVIE NICKELS

The Menai Straits Road Bridge, North Wales

IN LONDON'S Regent Street recently I overheard one of our visitors asking a passerby, with a hint of desperation, "Excuse me, do you speak English?" I did not hear the reply, but with our annual total of overseas visitors now well over 12m, about 8½m of them including London in their stay, the question did not really seem so quaint.

The national and regional tourist boards, aided and abetted by a lot of enterprising commercial organisations, are doing their best to encourage them (and us natives) away from the magnet of the capital, so the first priority is to reduce the ignorance most of us have concerning large chunks of our islands and their astonishingly varied amenities.

The best (free) sources of information I know are the annually revised publications of the English, Scottish and Wales Tourist Boards, packed with ideas and, just as importantly, giving the addresses from which fuller details can be obtained.

England Holidays '80 has 112 pages of excellent suggestions. Quite a few are concerned with organisations marketing different types of accommodation, including self-catering cottages, farmhouses, camp and caravan sites and university campuses.

Availability is throughout England, but the emphasis is undoubtedly rural when it comes to cottages and country homes in the most idyllic settings from Cumbria to Cornwall. In contrast, purpose-built chalets on popular coastal sites offer many of the amenities of a modern community if that is what you want.

Complete lists of all forms of accommodation, on both a national and regional basis, are published separately for a reasonable charge.

The range of special-interest packages continues to grow, catering for all tastes and ages. Holidays afloat through over 2,000 miles of inland waterways are hardy annuals (of which more in a few weeks' time); so, on a smaller scale, are horse-drawn caravans, for which East Anglia seems to have the English monopoly.

Courses cover almost the whole gamut of intellectual and physical pursuits, from those held in a fully equipped residential centre, such as The Earnley Concourse near Chichester, or the six centres run by the Field Studies Council, to personally guided open-air holidays based at an informal guest-house as in the case of Mountain and Wild-Life Ventures at Morecambe Bay.

There are organisations specialising in birdwatching (Ornitholidays), painting (Galleon World Travel), cultural pursuits (RVS Enterprises), our ancient or modern architectural heritage (Visit Northumbria).

Some simply specialise in specialising, covering a multitude of interests (Countrywide Holidays, Enjoy Britain, Holiday Fellowship). For the disabled, or one-parent families, or unaccompanied children, or people topping retirement age, there are helpful addresses, too. A separate English Tourist Board publication (also free) is entirely devoted to *England's Northcountry*, i.e. all points north of a line from the Wash to the Wirral. Anyone who secretly thinks that civilisation ends at Watford will find it very enlightening.

The 72 pages of the Scottish Tourist Board's *Enjoy Scotland 1980* and the 26 pages of the Wales Tourist Board's *Wales: Getaway Holidays So Close to Home!* likewise give good coverage of their territories, as well as including the dates of major events.

Their respective emphasis draws attention to particular aspects that have been developed over recent years. The industrial archaeology of Wales, for example, from coal mining and slate caverns to the narrow-gauge "great little trains" and historic canals brings into sharp focus the relationship between man and his environment. Many of the results are of award-winning excellence.

In Scotland, several themes pursue historic and literary objectives, such as the Burns Heritage Trail and Victorian Scotland.

Like their English counterpart, the Wales and Scottish holiday planners summarise other publications available at very reasonable prices (the following include postage). Some are on a national scale, such as guides covering Roman (60p) or Norman (75p) Britain.

Others have appropriate geographic limitations, such as *Wales: Crafts and Rural Industries* (65p), *Wales: A Glimpse of the Past* (65p), *Scotland: Home of Golf, Walks and Trails in Scotland, Visit an English Garden* (90p), and a host of regional publications on general and specific themes.

All three national tourist boards also refer to the useful new scheme of Holiday UK, a partnership between more than 20 leading holiday operators and nearly 1,000 travel agencies, whose brochure features holidays of all kinds throughout Britain.

Of countless other useful sources of information, I would like to end with one devoted to many of the major arts festivals that enliven the British calendar, from Camden in March to Swansea in October. Details may be had from the British Arts Festivals Association.

Publication addresses: *England Holidays '80* and *England's Northcountry*, Hendon Road, Sunderland SR9 9XZ; *Enjoy Scotland*, 1980, Scottish Tourist Board, 23, Ravelston Terrace, Edinburgh EH4 3EU; *Wales: getaway holidays so close to home!*, Wales Tourist Board, Dept. ED, P.O. Box 1, Cardiff CF1 2XN; *Holiday UK*, E.T.B. (Holiday UK), 4, Grosvenor Gardens, London SW1W 0DU or most travel agents; British Arts Festivals Association, 33, Rufford Road, Sherwood, Nottingham NG5 2NQ.

The lure of hobby-horse holidays

IT HAS long been my contention that the extra cost involved in a special-interest holiday usually pays dividends out of all proportion to the sum concerned. When you think of the number of minority interests now catered for, the "extra" element is really remarkably low, and this is to some extent because many of the people who are prepared to act as guide, companion and tutor on whatever-subject often do so for nothing more than the opportunity of a free holiday doing their favourite thing.

Additional facilities may include special transport to probe off-beat and often difficult terrain in pursuit of rare birds or flowers, materials for tuition in some form of arts and crafts, tickets for performances at festival, gastronomic delicacies for the gourmet, and so on.

Regular readers may have gathered that my own mild obsession is bird watching and, on such a tour (with Cox and Kings) a couple of years ago, I gained not only a much-needed knowledge, but continuing friendships.

The same potential applies to any activity, whether you are embarking on a new one or pursuing an established one. And at least you are guaranteed the company of like-minded souls, most of whom will delight in sharing their knowledge or gaining from yours.

Having started with birds, I will just ride my hobby-horse sufficiently further to mention three of the four operators specialising in these and other naturalists' holidays: Cox and Kings, Sunbird and Peregrine Travel. Many of the departures occur in the off-season periods of spring and autumn to take advantage of the nesting season or migrations, and destinations range from Scandinavia or Spain to the Middle or Far East. A new two-week Peregrine venture is to Crete on May 24, combining flowers, birds and archaeological sites on a comprehensive coverage of the island. This includes four days in the mountain village of Lassithi, a night in a deserted church and some longish hikes should be anticipated: cost is £470. Sunbird's offers include 15 days in Israel and Sinai for £590, departing March 16.

Still on the subject of the great outdoors, few companies can claim longer expertise for walking holidays of all grades than Ramblers, who have been in the business for over 30 years. Their coverage is especially varied for Austria and France, but India, Nepal and Turkey are also featured and there are some interesting 15-day arrangements to less obvious parts of East Europe, such as the Romanian Carpathians (£273) and the Soviet Caucasus (£496).

Also well-established are the horseback expeditions of Aventura in the Sierra Nevada of Spain's Andalucia (15 days, £395).

Turning now to spectator activities, Page and Moy has made a speciality, among other things, of Grand Prix motor racing and its 1980 programme takes in all the main European events, plus North America, Mexico and South Africa. The price range is from £629 (b. and b. only) for 17 days in South Africa (February/March) to a budget weekend in Belgium by sea and coach for £29 (early May). Circuit admission is not included, but can be ordered in advance. Undoubtedly more restful on the ear is one of Heritage Travel's fortés, Europe's music festivals—eight of them in 1980. The cost of seven nights in Prague in May, with half board and four festival tickets, is £389; slightly more for six nights in Vienna in June.

After a quarter of a century, Swan Hellenic's Art Treasures tours continue to break new ground, with 52 countries in five continents and a formidable list of guest lecturers. Etruscan Italy and the contrasting cultures of Japan, Hong Kong and Bangkok are among 1980's new offers. Serenissima Travel, though much younger, also continue to spread their wings, not least to some very uncommon areas of China, such as the Yangtse Gorges, Gobi desert, or Szechwan and Yunnan on a selection of six departures. In Europe, a couple of their long weekends give an unusual combination of the museums of East and West Berlin.

Two 7-day wine tours in May and September will have obvious appeal in Alsace, Burgundy and Franche-Comté; costing from £286, with half board and plenty of wine tasting, they are featured by Erna Low, who also arrange cooking courses in Boulogne and Salzburg. Finally, British Airways, which launched itself into the arts-and-adventure field a year ago, has produced a 1980 programme of mind-boggling variety for members of their World Arts and Adventure Club (annual membership, £3 for the whole family). Camel trekking in Sinai (departing 11th October) and a photographic tour of Peru and Bolivia (departing 20th June) are just two picked out at random.

This selection, based on the material available (not all special interest programmes have yet been distributed), is necessarily arbitrary and probably invidious. It is unavoidable but may at least, I hope, provide incentive for further investigation.

Addresses: Cox & Kings, 46 Marshall Street, London W1V 2PA; Sunbird Holidays, 147 Sloane Street, London SW1X 9BJ; Peregrine Holidays, 40/41 South Parade, Summertown, Oxford OX2 7JP; Ramblers Holidays, 13 Longcroft House, Fretherne Road, Welwyn Garden City, Herts. AL8 6PQ; Aventura, "Haybarn," Thursley, Godalming, Surrey; Page & Moy, 136-138 London Road, Leicester LE2 1EN; Heritage Travel, 22 Hans Place, London SW1X 0EP; Swan Hellenic, 237-238 Tottenham Court Road, London W1P 9AL; Serenissima Travel, 140 Sloane Street, London SW1X 9AY; Erna Low, 5 Bute Street, London SW7 3EY; British Airways, PO Box 115, West London Terminal, Cromwell Road, London SW7 4ED.

SYLVIE NICKELS

The crucial Test

FISHING

JOHN CHERRINGTON

THE CHALK streams and rivers of the southern counties have the supreme advantage that they spring from the natural aquifer of the great chalk deposits of Salisbury Plain and North and South Downs.

The chalk acts like a sponge absorbing the rainfall without allowing it to run off, and then releasing it throughout the rest of the year. Chalk rivers do not have spates unless there have been exceptional local deluges. They also seldom run dry, although in the 1976 drought their levels dropped alarmingly.

So I am very happy that the rainfall in these parts—more than 30 ins last year—should keep the Test and other chalk streams running well throughout the next 12 months.

So reliable is the chalk for storage that various water authorities have plans which could absorb all the flow of these rivers within the next 100 years at the present growth rate of abstraction.

One angry fishing member of a water authority told me some time ago that his grandchildren would see some of the better rivers of the south of England dry for much of the year.

There are already some signs of this happening. Before the war one of the springs or winterbournes, which are a feature of the Chalk, used to rise every winter on the boundary of one of my farms. Over the past 20 years they have never come closer to this than 5 miles and then after an exceptionally wet time.

The reason for this is quite obviously the abstraction of large quantities of water from a well some miles down the valley for the benefit of the inhabitants of south Hampshire and Southampton. I know that modern civilisation needs increasing amounts of water, but should it always have to be piped all the way?

There is a very good case for the needs of South Hampshire to be met by abstraction near the mouths of the Test and the Itchen. Nature left to herself would bring it all down to them and at the same time would provide enough flow for the fishing to flourish in perpetuity.

I hope the water engineers will not be able to do their worst through the rest of my lifetime and that I shall be able to enjoy the Test and its dry fly as long as I am physically able.

In my writings last year I admit to being a bit critical of the Test and its lack of fish and fly. It was put to me that I was being unfair and that if I was having little success I should perhaps blame myself.

Now that the season's records for my own beat have been published, it does seem that catches were down by 20 per cent. This was not due simply to my seduction to a salmon river where my success was negligible in the extreme. Other and better rods than I were equally disillusioned.

The Test was still suffering from the 1976 drought. Weed growth was very poor until the end of the season and the fly life only looked up during the last six weeks, after a long blank period following quite a good Mayfly hatch. There should now be plenty of water, and by May everything should be normal.

Incidentally salmon on the Test did show an increase in the late season run, and things which had been very bad in that section may improve over the years.

I am also redoubling my efforts after salmon on the Wye and elsewhere from which I had practically retired last year. All the reports of the Wye season were bad and those for the autumn spawning equally so.

Nevertheless, there is nothing rational about salmon behaviour. Some of the post 1976 drought spawnings should be coming back to the river. In any case, I am relying on the illogicality of salmon fishing which makes fish appear in spite of the most unpromising angeries.

There are plenty of Wye rods advertised but it is worthwhile when making the bargain, asking, not for the average catches over a number of years, but for the actual catches last year. And bargain is the operative word.

A cry for togetherness

WINTER SPORTS

ARTHUR SANDLES

HIGH in some alpine retreat a couple of seasons ago there was, I suspect, a meeting of the ski instructors' Mafia. On the agenda was the fact that skiers these days are learning quicker and skiing better than once was the case. Could ski instructors be working themselves out of a job?

At the top of the table sits Hans, a greying, gnarled figure with a face apparently carved from the twisted tree roots of his native Tyrol. There is Pierre, the diminutive but lively Parisian architect who had abandoned all to open his own ski station—a perfect creation of rough cement and stripped pine tower blocks—in the foothills of Mont Blanc. And Randy, the Colorado Kid, complete with snow-resistant gaiters ("for all that Rocky powder, man") and mirror-glass goggles.

As far as Hans is concerned it is all the other people's fault. Between sips of schnapps and puffs of his pipe Hans can be difficult to understand, but he seems aggrieved that Pierre's ski evolutif and Randy's GLM have ruined a nicely ordered world in which we all spent three years working our way up to stem christies, and the rest of our ski lives employing instructors to break us of the stemming habit.

"Now," he puffed aggressively, "they are all skiing parallel within a week. Day one they fall over, day two they wedel."

It was a slight exaggeration but the others got the point.

"Hey, what this Vedel . . ." asked Randy.

"Wedeln," explained Pierre, "is skiing in a series of short swing turns. The feet are tightly together and it is the tail of the ski that wags."

". . . the feet are tightly together . . ." mused Randy. "Say fellas, I have an idea. Suppose we told everyone not to ski with their feet together. That apart was good and stable, and together was bad and dangerous."

"They would rush to us to unlearn the Wedeln," cried Hans with enthusiasm.

And that is why, when you go skiing this season, you will find all the instructors sneering at your attempts to make nice, neat, ski-clicking turns and urging instead a broad-based stance. Do not question this wisdom, for they will simply point to the ski racers. They may even undermine your aim for perfect short swings. The new vogue on the ski slopes is step-up turns.

Having spent my ski life trying to reach the point where short wings were by skiing style, and have so far failed to get there, I feel a little cheated to see the prize torn away.

One of the irritating things about ski instructors tends to be their inflexibility. Universally they seem intent on teaching skiers to ski in the way that is considered right in their own country at that time. Ski instructors become infected with some form of evangelical spirit which forces them to denounce all that has gone before in favour of the new ski messiah. Fortunately, international co-operation is improving and thus we do not get quite as many of the vast divergencies of opinion that bedevilled the '60s and early '70s. Instead of saying: "Right, that is the way you have learned to ski; it may not be what we are teaching in France/Switzerland/Vermont at the moment, but let's build on it," they tend to watch and say: "Oh no, that it all wrong now. You have had a very bad instructor before, yes?"

This is not entirely a cry of personal bitterness, I've never managed to wedeln anyway, but it is a comment on skiers who have said to me: "They told me to do it this way in Les Arcs last year, and here in the Tyrol they say it's all wrong!"

That having been said there is no question but that a broader based ski stance is more stable and certainly much easier to achieve that neat a close-together parellel style. The average recreational skier is likely to be able to ski a much wider range of terrain with their feet 6-12 inches apart.

Personally I think it would be a tragedy if the practice spread too far. The beauty of a skier taking a slope in perfect parallel style is magnificent. I watch such skiers with admiration and envy and, regardless of the current vogue, will continue to strive to achieve even a modest immitation. Let not the wedel die.

SNOW REPORTS

EUROPE

Crans-Montana (Sw)	140-200 cm	Fresh powder daily
Anzere (Sw)	110-185 cm	Good snow, poor light
Muerren (Sw)	135-230 cm	Good snow all runs
Andermatt (Sw)	95-320 cm	Excellent skiing
Verbier (Sw)	65-185 cm	New snow on good base
Wengen (Sw)	50-160 cm	New snow on good base
Grindelwald (Sw)	60-150 cm	Pistes good, some worn
Saas Fee (Sw)	95-240 cm	Excellent skiing
Courmayeur (It)	70-280 cm	Worn on lower slopes
Isola (Fr)	100-140 cm	Good, hard patches
La Plagne (Fr)	150-270 cm	Good snow, hard base
Flaine (Fr)	140-385 cm	Good skiing. Bad light
Niederau (Aus)	70-120 cm	Hard pack
St. Anton (Aus)	100-240 cm	Good skiing everywhere

Details from Ski Club of Great Britain representatives.

THE U.S.

Sugarbush (Vt)	2- 4 ins	Man made. 20 of 70 runs
Stowe (Vt)	2-12 ins	Man made. 10 of 35 runs
Hunter (NY)	6- 8 ins	Man made. 29 of 35 runs
Aspen (Col)	18-43 ins	New powder. Snowing
Park City (Utah)	24-45 ins	Snowing, high winds
Squaw Valley (Calif)	closed	Blizzard. Open when calm

Figures indicate snow depth at base and top stations.

SCOTLAND

Cairngorm: Main runs complete. Hard packed. Icy patches.
Glenshee: Main runs complete. New snow on a firm base.
Glencoe: Main runs and lower slopes complete. Powder on firm base.
Lecht: Main runs complete. Ample nursery areas.

HOW TO SPEND IT

by Lucia van der Post

Facing up to the cold facts of life

SO FAR this winter we have only had a few days which have been cold enough to remind of those dark, chilly days of late 1973 and early 1974 when the three-day week was at its height, when fuel and other crises loomed so large that the prospect of ever being warm again seemed very remote. Nothing turned out to be quite so bad as we then feared, but fuel crises of one sort or another seem likely to be with us for a long time to come so it makes sense for us to learn to use as little of our expensive and diminishing resources as we can.

Here are some figures to put the problem in perspective. The total cost of domestic space heating in Britain is in excess of £3bn a year. If we could all just achieve a reduction of 2 deg. Fahrenheit in our heating levels we could save about £345m a year, and this would mean each household would save about £24 a year. By moving the thermostat down 2 deg. Centigrade, the saving could be about £40.

The easiest and most comfortable way to achieve these savings is, of course, by better insulation.

I have only to look at our home to see ways in which the heat we pay for could be better conserved. We, like many people in Britain, live in an old Victorian house. The roof, at least, is properly insulated (if yours isn't, this is the easiest area to tackle on your own using simple methods like granules or pellets of vermiculite or laying down glass fibre, mineral or aluminium foil).

The windows in our house never seem quite to fit and, expensive though the outlay on renovation will be, that is obviously the right thing to tackle next. Draughts from under the door can be more easily dealt with by using any of the do-it-yourself draught excluder systems on the market. Double-glazing certainly keeps houses a great deal warmer and though prices seem initially high the saving in fuel bills can be quite considerable. If you are good at this sort of thing there are plenty of systems that you can instal yourself, but unfortunately there is no central body that gives independent advice as to the comparative merits of the respective systems.

However, there are some sources of general advice. The Department of Energy issues a free booklet called Make The Most Of Your Heating which gives useful advice on how much you can save on your fuel costs by efficient thermostat control, loft insulation, double glazing and all the rest. Write to: Department of Energy, Information Division, Thames House South, Millbank, London SW1.

BP has been running for a year what it calls its Heat Conservation Service. Anybody with any heating system can call on it for advice. The surveyor measures up the house, looks at the system, controls and existing insulation and then advises on how much fuel and money can be saved by which methods. The survey itself is free but if you wish to follow its advice BP naturally hopes to organise the work, through subsidiary companies, for you. It seems that, on average, customers can save up to 30 per cent of their fuel bills.

Funding for cavity wall insulation can be added on to your existing mortgage and usually the savings on the fuel bill make up for the extra mortgage repayments. If you want to call the BP Heat Conservation Service ring 01-821 2553.

The Rentokil Advice Centre, of Felcourt, East Grinstead, Sussex (Tel. Lingfield 833022), will advise on cavity wall insulation as will Cape Insulation Services (write to them at P.O. Box 100, Rosanne House, Bridge Road, Welwyn Garden City) who have a system of their own.

All the fuel boards offer advice on the most economical ways of using their fuels and if you are thinking of turning over to a wood-burning stove, in the wild hope that the forests will outlast the oil-fields, then go along to the Building Centre, Store Street, London, WC1 and ask them for their leaflets on wood-burning stoves. Alternatively write to Simon Thorpe, Newcastle Emlyn, Dyfed, Wales who is the agent for the Austrian wood-burning stoves by Tirolia but is an expert on the subject and very anxious to spread the gospel.

I don't know of anybody who has actually used the insulating material of Milium for lining their curtains but it sounds very impressive indeed — it is made from aluminium particles on one side and looks like ordinary fabric on the other and is meant to provide a barrier to the cold wafting in through the cracks between windows and walls. If you have your curtains made at Sanderson of Berners Street, London, W1 they will use Milium for the lining if you ask for it — home sewers can, of course, buy it by the metre (about £2.10 per metre) at many fabric departments, including John Lewis.

Those of us who live in warm, centrally-heated homes are lucky and don't really have need for any special clothing. However, there are plenty of people who can't afford to keep their houses heated all the time (I seem to remember some remarkably chilly after-lunch hours in country houses when the central heating had been off for a couple of hours in the middle of the day) and plenty of others whose houses just seem to be prone to draughts from ill-fitting doors and windows.

If any of these are your problem then this cosy-coat could be the answer. It is rather like a duvet cut into the shape of a coat. Made from 100 per cent Polyester quilted outer and inner linings which are padded with 100 per cent Polyester wadding this is far from being the most flattering garment ever invented but it is warm—it is about three times as thick as a regular dressing-gown. They are much sought-after by elderly people and invalids, but I don't see why the ordinarily chilly shouldn't find much solace from them too.

They're available in two colours, navy and dark red, and in three sizes (small, bust size 32 ins/34 ins, medium bust size 36 ins/38 ins and large, bust size 40 ins/42 ins). They are all £46.50, by post from Cosycoats, Castle Eaton, nr. Swindon, Wilts.

•

I haven't yet tried thermal underwear myself but propose to do so on my next visit to the ski slopes. Chilly mortals I know who wear it through an ordinary British winter say that it just makes all the difference in the world (what I want to know, though, is don't you swelter whenever you go into a centrally heated building ?)

If chilly country houses, unheated rooms or long hours spent out of doors are part of your life-style then Wolsey have just brought out a new range of thermal underwear made from 100 per cent chlorofibre. Chlorofibre is specially designed to trap the warm air rising from the body and therefore insulate it from the cold outside. The styles shown here seem to be perfectly acceptable when worn under ski-clothing or normal casual winter trousers and sweaters.

The long-sleeved spencer and the long-legged pantaloons come in white only and are £5.50 each. Find them in a wide range of underwear departments now.

Wolsey are not, of course, the only people to produce thermal underwear. Possibly the most famous firm of all is Damart who have specialised in thermal clothes of all sorts for a very long time.

They have 12 shops in major towns throughout Britain (I'm told the one at 263, Regent Street, London W1 has sometimes actually had to close the doors to keep the hordes of eager shoppers out in the very cold weather) but are particularly useful because readers can send off for their brochure and order whatever they want from the comfort of their own homes. There are some relatively attractive lacy numbers which look as if they might be quite suitable for the lives that most of us live (a long-sleeved lacy spencer is £4.65) but for those who really do have a problem keeping warm, like alpine climbers, market traders and so on, there are some extremely serviceable-looking garments which go under the Double Force label. There are also Thermolactyl-lined socks, slippers, boots and shoes. For the complete brochure write to Damart, Bingley, West Yorkshire BD 16 3BR.

There are many people who complain of cold feet—and if their feet are cold, they are wont to complain, they feel cold all over. Scholl has a product, new to me, which I've just been testing and which seems to work called Thermal Insoles. These cost only 99p from Scholl shops, chemists, branches of Boots and Woolworth and are quite thin insoles which you slip into your ordinary shoes or boots. They're made up of a layer of thermal insulation and an aluminised film which was, apparently, originally designed to combat sub-zero temperatures in space. The idea is that you put these insoles into your shoes and put the shoes on when you are warm—your natural body heat then keeps the warmth entrapped in the shoes. Certainly my feet seem noticeably warmer since I've been wearing them.

•

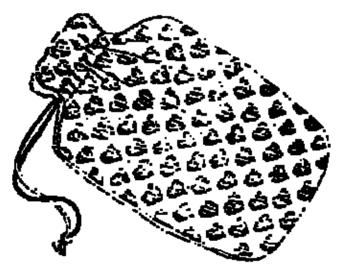
Fortunately for those who like to feel warm and fashionable there are several coats around which combine being exceedingly warm with being very high fashion (unfortunately, high prices seem to go along with all this as well). Norma Kamali's coats are those very colourful sleeping bag coats that are made with pure eiderdown and are reversible. They are huge and come in one size only but they are at the moment all the rage among those who have £265 to spare. Find them at Browns, 27 South Molton Street, London W1.

Michiko is an equally fashionable designer who has produced some amazingly warm coats and jackets this winter. These come slightly less expensive (the jackets are about £72 from Howie, Long Acre, London, WC2) and they, too, are reversible and have an all-enveloping air about them.

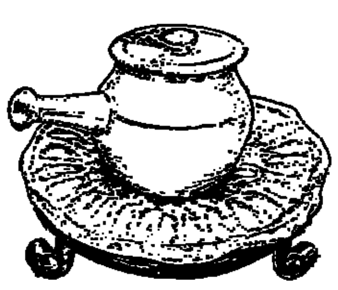
Debenhams have for some time been offering free dressmaking patterns to readers but they have recently decided to offer free knitting patterns as well. Lest the idea of free knitting patterns conjures up dreary images of the knitwear of yesteryear take a look at the style that Debenhams is currently offering. As you can see from the picture it is bang up-to-the-minute, having padded shoulders, and bobbles that mark out the 1980 sweater.

As many of you may wish to spend some of the remaining dark winter months producing something that is both attractive and economical it is nice to know that this particular pattern is entirely free. If you want a copy just send a stamped addressed envelope to Mrs. Susan King, Public Relations Officer, Debenhams, 1 Welbeck Street, London, W1.

The pattern will need wool costing £9.30—the wool can be bought from selected Debenhams stores (53 out of their 73 stores have wool counters) and so for a comparatively small outlay you should be able to make yourself the kind of jumper that would cost many times more, if bought ready made.



One of the oldest but simplest ways of warming up the chilly frame is with a hot water bottle. If you own a hot-water bottle but find its clammy unadorned exterior would be improved by a cosy cover there is a pretty but simple cover made from a fresh design of crisp striped hearts. The colour is a fresh red on white and is made by Noyadd Rhulen of Battle Fach, Brecon, Powys LD3 9RW. It can be ordered by post for £3.75 (30p extra for postage and packing) or it can be bought from selected retail outlets throughout the country. If you prefer it there is also a charming elephant and palm tree print in blue and green at the same price.



Keeping food hot while you serve it or while it waits on the table for those who want second-helpings is one of those perennial problems. I have hardly ever come across a hot plate that actually looks good while those hostess trolleys, which do the job admirably from a practical point of view, look even worse. So I was amused to come across an old, traditional system of keeping food hot which uses no electricity at all—it consists of hot stones.

The idea comes from Portugal where stones are put in the sun or near the cooking fire to heat up. Over here the idea is that you put the hot stone in the oven where it absorbs the heat. When you serve the food you put the stone on its own wrought-iron stand (cork-backed so as not to harm the surface of the table). The hot stone goes on warming the food throughout most of a normal meal-time. They measure about 12 inches in diameter.

Each Sunrise hot stone is individual, and made of handpainted ceramic in shades of blue, green, cream and beige. No two stones are identical. They are pre-fired to a heat of 1250 degrees so they are completely heat and crack-resistant. Christine of 10 Gee's Court, London W1, has a small collection of Portuguese hot stones that she is selling at £19.95 each (inclusive of p + p).

The vacuum flask is an indispensable piece of equipment for every household and a quintessential part of every British outdoor event. In summer they hold cooling iced soups and drinks, hot tea and coffee while in winter ours are used for holding piping hot soups and chocolate. For those who like their vacuum flask to have some kind of distinguishing mark—perhaps in able to be sure of keeping their coffee separate from the rest of the family's tea or vice versa—Aladdin has brought out a whole new selection of vacuum flasks for sports fans and for anglers.

Photographed, left are two out of a series of three designed to help warm the chilled football supporters of Liverpool, Manchester United and, not shown, Nottingham Forest. The flasks hold 16 fl oz, are available from a wide range of supermarkets, chemists and sports shops and cost about £2.04 each.

ARTS

Letter from Strasbourg

Fra Diavolo

BY RONALD CRICHTON

From Rouen and *La Roi d'Ys* to Strasbourg on the other side of France, where the opera house looks down the length of the Place de Broglie, filled in December with a Christmas fair, the smells of fritters and popcorn battling with the scent of hundreds of Christmas trees. Seasonable fare at the Opera du Rhin (also responsible for Colmar and Mulhouse) was a new production of Auber's *Fra Diavolo*, formerly in the Sadler's Wells repertory, admired by Edward Dent as one of the most sparkling of all comic operas, but now, except by Wexford, almost forgotten. Auber, though his name must be familiar to the least musical visitor to Paris who uses the Métro or the streets round the Opéra, has been largely overlooked in the wave of renewed interest in early 19th century opera.

This in his own day phenomenally successful purveyor of operas grand and comic was born before the Revolution and died during the Commune. His composing career was nearly as lengthy as his life. Rossini said of him: "He writes small music but does so like a great musician." Wagner praised him in terms sufficiently tinged with envy (Wagner could not forgive other composers' success) to suggest sincerity. There is still plenty of amusement and sparkle in Auber's score (and Scribe's libretto) for *Fra Diavolo*. They have tunefulness, skill, economy, any amount of craft — almost everything a comic opera needs except the extra something (can it be genius?) that takes the breath away or sends shivers down the spine.

Under the artistic direction of the conductor Alain Lombard, the Opéra du Rhin has won a high reputation in France. I must have been unlucky: last season's revival of Roussel's *Padmâvati* I thought less good than the preceding one under the former régime. *Fra Diavolo* the other day was competent but sleepy, Sunday-afternoonish. Jean-Marc Cochereau conducted tidily but without lilt or fizz. One was conscious that Auber slips into march rhythms almost as often as other comic opera composers fall into lolloping six-eight. Jacques Rosny, the producer, is another import from the straight theatre, disarmingly modest and unpretentious in his aims. For the programme-book he wrote a send-up of what his avant-garde colleagues might have done with *Fra Diavolo* which had just the light touch missing on the stage. The fire was neatly laid but the sticks never kindled.

Perhaps M. Rosny miscalculated the degree of comic resourcefulness forthcoming from average rather than exceptional opera singers. Everything needed sharper pointing. The title-role of the Italian brigand who passes himself off as a Marchese in order to rob a couple of noble and wealthy English Grand-Tourers was taken by Rémy Corazza, an experienced, stylish tenor who at this performance played down the bravado almost to vanishing-point. As Zerlina the inn-servant whose (very decorous) undressing for bed in the second act was once thought daring, Christine Barbaux sang brightly, expertly, yet mildly. The old type of shrill French soubrette seems to be passing away, and perhaps some of their unfailing powers of projection are passing too.

Of the three principals only Tibère Rafalli as Lorenzo, the officer of Dragoons who woos and wins Zerlina, had dash as well as vocal fluency. Perhaps this promising young Corsican tenor's dash is so far more a matter of lively temperament than of acquired finesse, but at least it is there. The English milord and his lady (gently caricatured by Scribe), were dull. So were the bandits Beppo and Giacomo who trail round after Fra Diavolo (to be fair, one can imagine how easily and lethally they might be over-played). Mario Franceschini's doll's house inn-interior was pleasing. The excessively bright lighting here and in the exterior scenes may be ascribed to the presence of TV cameras.

Exhibition at the National

A photographic exhibition, "25 Years of London Theatre," opened in the Lyttelton Circle Foyer of the National Theatre yesterday. In display are over 250 photographs of Evening Standard drama award winners. Benson & Hedges has joined with the newspaper in organising the exhibition which also included a special award to Michael Codron in recognition of his achievements in producing so many of the prize winning plays.

Photographs

BY WILLIAM PACKER

The debate will go on, no doubt, for a long time yet concerning the standing of Photography as Art, for today we are all photographers, and the distinction between the happy snap and the art shot is often, to say the least, extremely nice. The photograph has become a commonplace of the galleries, the inference thereby quite clearly drawn; and yet the knowledge of how simple it is to press the button still nags at us. An exhibition such as the André Kertész restrospective, now filling the Serpentine Gallery (until February 10), both helps and hinders us on this very point: for his work is so accessible, so disarmingly natural, straightforward and unselfconscious, that we be forgiven for supposing we could do as well ourselves. But we leave the gallery quite certain, nevertheless, that we have been confronting the life's work of a true artist.

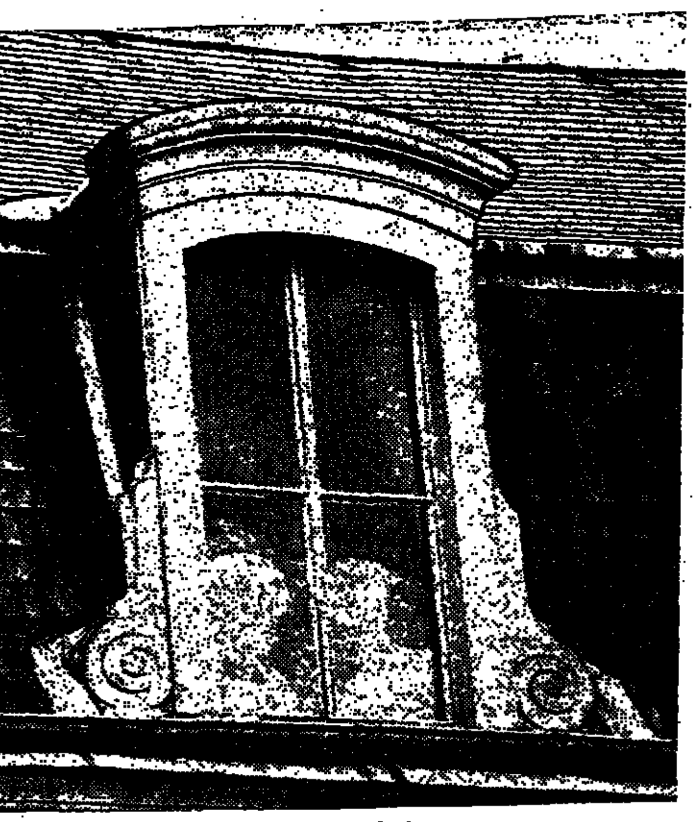
What it is that makes us so sure is hard to isolate, but it lies, I believe, not in any technical or formal matter—Kértész has a sound eye for composition, and a marvellous eye for a subject, but the artier the work, distorted nudes and skyscraper-scapes for example, the more dull it is—but rather in a certain quality that lies behind his judgment.

To put it another way, Kértész is blessed with the most perfect luck: his dancers are always, as it were, if only for the vital split second, at the peak of their profesison; his horseman gallops through the industrial wasteland bang on cue; the breast pops out of the sun-top just for him; the nuns stroll over the brow of the hill. Well of course he must make such luck for himself, but that he can in fact do so, that he can command the opportunity, remains a great gift.

He looks out on the world with an affectionate amusement, an acute feeling for place, and the sharpest sense of time: even the most empty-seeming of his landscapes, or the stillest of still-lifes, is charged with the sense that now, at this precise moment, is our attention fixed, and in a moment again all will change. His lovers embrace gently, their combined gesture, so charming, as fleeting as it is statuesque; the Sunday crowds filter along the avenue at Versailles, or through the shadows beneath the Eiffel Tower; the children dance and play in the park. His work is alive with mundane incident and humane intercourse.

Which brings us back indeed to what it is that marks out the photographer artist: the instinctive, decisive command of the particular, significant moment, without which, in some form or another, his box of tricks is a mere toy.

The bulk of this delightful exhibition is drawn from the collection of the Musée d'Art Moderne in Paris, but includes a number of hitherto unpublished photographs of post-war London. A talk on Kértész by Colin Ford of the National Portrait Gallery is played every day at 3 pm.



Window, 1928, Paris

Taverner Players

BY DAVID MURRAY

The latest party to be sent out on the Early Music Network, a three-year scheme for sowing early music all over the country, is the Taverner Players. They began their mission on Thursday at the Wigmore Hall with a programme of mostly Monteverdi which in due course will be heard in several other places. They were persuasively stylish and fresh; they ought to make many converts.

Their major offering was *Il Combattimento di Tancredi e Clorinda*, a work of great historical importance which stretches out its heavy length in many a respectful performance. This re-creation was of quite another order: it was as dramatic and moving as one always hopes (usually vainly) that it will be. Honours must be divided equally between Andrew Parrott directing his four excellent players of period strings from the harpsichord and judging the exact weight of each episode to a nicety, and the tenor narrator Nigel Rogers, who found a perfect balance between objective reporting and sympathetic excitement. No period allowances needed to be made; the lean power of the work sounded pristine.

The loving antagonists in *Il Combattimento* were Emma Kirkby and David Thomas, who had more extended opportunities elsewhere. Miss Kirkby delivered the Prologue to *Orfeo* tenderly and elegantly, and Mr. Thomas sounded his bass reaches impressively in two songs by Caccini, ornamented with grave delicacy. Earlier, three madrigals from Monteverdi's seventh and eighth Books had been as engaging for the light, springing string accompaniments as for their bright vocal parts (though I felt a little resistance to the string mannerism of swelling long notes after the beat—surely that is neither technically inevitable nor historically prescribed). A *Capriccio stavagante* for strings by Carlo Farina, a Monteverdi pupil, alternated a charming ritornello with successive playful imitations (other instruments, hens, quarrelling cats and a dog), and the Taverner Players did it with as much tact as wit.

Le Cirque Imaginaire returns to Riverside

Victoria Chaplin and Jean-Baptiste Thierree's Le Cirque Imaginaire will return to Riverside for a limited season from March 4—30, nightly at 7.30 pm.

Stresses and strains of Belfast

BY ANTHONY CURTIS

Bill Morrison has a huge advantage over other contemporary playwrights. He is a Belfast man. He knows from within his bones what he is talking about when he writes of violence in our society "*how it takes place while someone else is eating or opening a window or just walking dully along . . .*"

Morrison's great theme, sardonically embodied in his recent, brilliant stage-play *Flying Blind*, is the contagion of violence in contemporary Belfast, how like some rampant disease against which there is no known form of immunisation, it suddenly strikes and blights the lives of people who are not themselves activists or at all politically committed. Morrison mediates this theme of the underlying tension in Irish life today with a generous measure of Irish humour and theatrical sense.

"The killer was a big, youngish, well-dressed fella who enjoyed his work"—it is all there in that typical Morrisonesque line from *Maguire*, a new radio play which was last week's Saturday Night Theatre piece (Radio 4 UK, January 5). The title-figure, Harry Maguire, uttered by John Hewitt in a voice as rich and frothy as a pint of draught Guinness, is a middle-aged layabout who, on a dark night after he has had a mild brush with the police, happens to be the sole witness of a brutal shoot-and-run murder. From being a nobody, Maguire is transformed by events wholly outside his control into becoming a crucial pawn in the lethal chess game between the provos and the police. Both sides manipulate him in order to capture much more valuable pieces, and the action alternates furiously between the police headquarters, a seedy social club and the dangerous no-man's land of the streets. Bill Morrison's last work for radio was turning the work of Raymond Chandler into radio drama. The parallels between Chandler's Los Angeles and Morrison's Belfast are not hard to seek, and the plight of an individual in an uneasy alliance with the long arm of the law, was tautly transmitted in Robert Cooper's production from BBC Northern Ireland.

There are further parallels when it comes to terrorism and kidnapping between Ireland and Italy, but these were not the concern of Natalia Ginzburg in her comedy *I Married You For Fun* which was given its first performance in this country in the translation by Henry Reed as The Monday Play (Radio 4 UK, January 7). Here we were involved only in a storm in a Martini-glass, stirred vigorously rather than shaken, but nonetheless pleasantly intoxicating.

Italians talks faster than English people, particularly during their marital rows, and Zoe Wanamaker as the ex-shop assistant who lands herself a smart, well-bred husband whom she hardly knows from Adam took the lines at a terrific lick to bring out the Latin in them. The pace certainly needed a bit of getting used to, but as the situation between husband (Patrick Drury) and wife built up, one accepted her for what she was, a thorougly nice girl on the make. Her test came when she had to give her mother-in-law, in the person of Patricia Routledge, dinner after her maid (Rowena Roberts) had apparently walked out on her. True to form, she rose nobly to the occasion. The lively production, relying heavily on the nimble voices of the experienced cast, was by John Tydeman.

One of the least-publicised of theatrical affairs was that between Charles Macready and his leading lady, Helen Faucit. Was it indeed an affair at all? The question was delicately posed and examined in *Mac and Miss Faucit* (Radio 3, January 6) by Richard Mangan with Paul Scofield and Joy Parker to speak the parts of the principals. There was sufficient material, embedded in their diaries and letters, for a full account of the tortuous course of their relations, private and professional, to be given, in a fascinating piece of radio reconstruction.

Theatres Trust to seek funds from EEC

The Theatres Trust, which is due to run out of cash in two months, is to turn to the EEC for funds. Appeals for money have been turned down by the Government and the Arts Council, and now the Trust, set up in 1977, is living off donations.

Its secretary, Mr. Vincent Burke, said: "We are going to ask the Regional Development Fund of the EEC for funds as we cannot get any money from the Government."

Presenting the Trust's second annual report, director Mr. Hugh Jenkins warned that, if the Trust did not survive, about six London theatres, where leases are due to run out in the next five years, will be under threat.

"Property companies which own them may want to sell them—but if we are around we will fight the battle. The Theatres Trust is many theatres' only protection," Mr. Jenkins added.

Brecht play at the Citizens

The fifth new production at the Citizens' Theatre in the present season will be the Citizens' Company in *Fears and Miseries of the Third Reich* by Bertolt Brecht, directed by Giles Havergal in a translation by Paul Kriwaczek, designs by Sue Blane, and lighting is by Gerry Jenkinson.

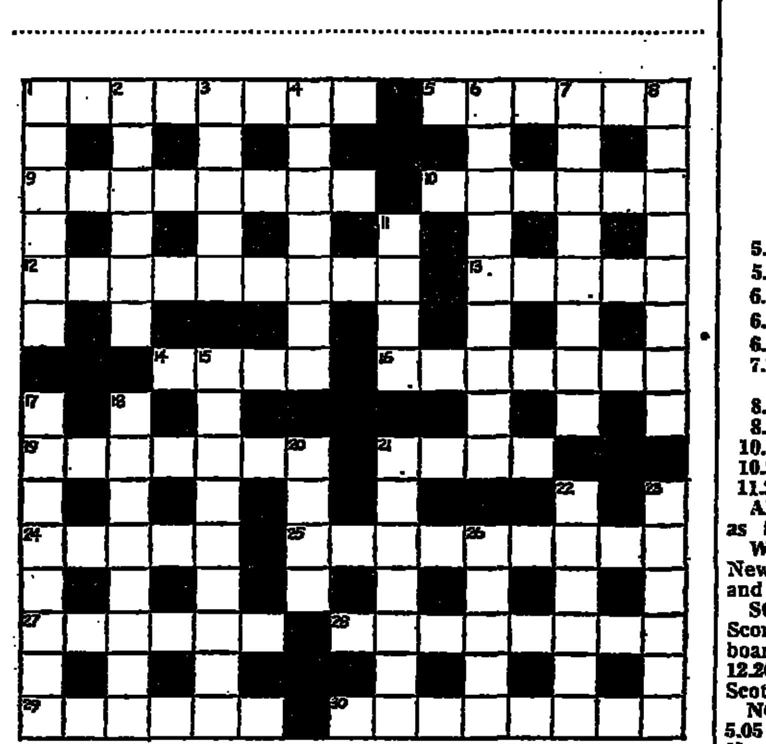
The play opens on January 18 at 7.30 pm (free preview the previous evening) and closes on February 9.

F.T. CROSSWORD PUZZLE No. 4,172

A prize of £5 will be given to each of the senders of the first three correct solutions opened. Solutions must be received by next Thursday, marked Crossword in the top left-hand corner of the envelope, and addressed to the Financial Times, 10 Cannon Street, London, EC4P 4BY. Winners and solution will be given next Saturday.

Name

Address



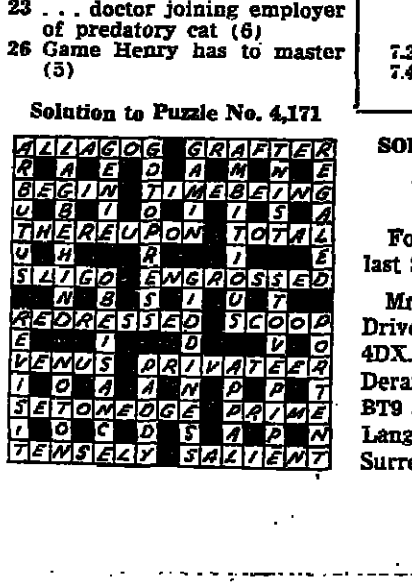
ACROSS

1 Exhausted everybody on the whole (3,2,3)
5 Proved in old-fashioned way that girl got married (6)
9 Position of person striking (8)
10 Left party cook too much (6)
12 Downcast over fair but severe punishment (5,4)
13 Point to support given to disagreeable child (5)
14 Right time for stew (4)
16 Born to encourage shoot out (7)
19 Fall of haircutter (7)
21 Avoided sound of bad visibility (4)
24 Split about turning more fully developed (5)
25 Cast within attack (5,4)
27 Please force. . . (6)
28 . . . scapegoats to take trip to hospital (4,4)
29 Wood growing in front street (6)
30 Animal is unable to get inside bottle (8)

DOWN

1 A parent gets over your indifference (6)
2 Causing death could make all the difference (6)
3 Vote against pussyfoot going inside looking smart (5)
4 Reactionary who had a smashing time in the factory (7)
6 Dictionaries quarrel (4,5)
7 Declined as nods were exchanged (8)
8 Leaving from side on the downward path (8)
11 Live down and up the BBC (4)
15 Like father to tease you and me with tasty tips (9)
17 Points gained away in triumph over. . . (5,3)
18 . . . collector currently giving you some problems (8)
20 Entranced by strike over tin-opener (4)
21 Name the unorthodox give gas (7)
22 Individual Poles last month abuse. . . (6)
23 . . . doctor joining employer of predatory cat (6)
26 Game Henry has to master (5)

Solution to Puzzle No. 4,171



TV Radio

BBC 1

† Indicates programme in black and white

9.05 am Better Badminton.
9.30 Multi-Coloured Swap Shop.
12.12 pm Weather.
12.15 Grandstand: Football Focus (12.20); Racing from Ascot (12.50, 1.25, 2.00, 2.30); Table Tennis (1.10, 2.20, 4.15) Norwich Union International Championships. World Cup Skiing (1.45) The Men's Downhill; American Football (2.50) The Rose Bowl: University of Southern California v. Ohio State University; Rugby League (3.35) St. Helens v. Salford; 4.40 Final Score.
5.05 Wonder Woman.
5.50 News.
6.00 Sport/Regional News.
6.05 Dr. Who.
6.35 Jim'll Fix It.
7.10 All Creatures Great and Small.
8.00 The Dick Emery Show.
8.30 Dallas.
10.10 News.
10.20 Match of the Day.
11.20 Parkinson with guests.

All Regions as BBC-1 except as follows:—

WALES—6.00-6.05 pm Sports News Wales. 12.20 am News and Weather for Wales.

SCOTLAND — 4.55-5.05 pm Scoreboard. 6.00-6.05 Scoreboard. 10.20-11.20 Sportscene. 12.20 am News and Weather for Scotland.

NORTHERN IRELAND—4.55-5.05 pm Scoreboard. 6.00-6.05 Northern Ireland News. 12.20 am News and Weather for Northern Ireland.

BBC 2

10.50 am-12.30 pm Open University.
2.35 "Gay Purr-ee" (cartoon with the voices of Judy Garland and Hermione Gingold).
4.00 Play Away.
4.25 Saturday Cinema: "Moonfleet," starring Stewart Granger.
5.50 The Sky at Night.
6.10 Mr. Smith's Indoor Garden.
6.35 "The Golden Cockerel," (simultaneous with Radio 3 stereo) Scottish Opera's production of Rimsky-Korsakov's musical fairy-tale, part 1.
7.25 News and Sport.
7.45 "The Golden Cockerel," part 2.
†8.55 Gangster movie: "Little Caesar," starring Edward G. Robinson.
10.10 Playhouse.
10.45 Set by Swann, or My Life and the Piano, by Donald Swann.
11.15 Late News.
11.20 Midnight movie: "Billy Jack."

LONDON

8.40 am Sesame Street. 9.40 The Beachcombers. 10.05 Superman. 10.30 Tiswas.
12.30 pm World of Sport: 12.35 On the Ball; 1.00 International Sports Special (part 1) World Cup Skiing from Kitzbuhel; 1.15 News; 1.20 The ITV Seven—1.30, 2.00, 2.30 from Newcastle; 1.45, 2.15 and 2.45 from Warwick; 3.10 International Sports Special (part 2) American Football; 3.50 Half-time Soccer Round-up; 4.00 Wrestling; 4.50 Results Service.
5.05 News.
5.15 Oh Boy!
5.45 Happy Days.
6.15 Stars in Action: "She Wore a Yellow Ribbon," starring John Wayne.
8.00 Search for a Star.
8.45 Enemy at the Door.
9.45 News.
10.00 Heartland.
11.00 Saturday Night People.
11.45 Pro-celebrity Snooker.
12.30 am Close: Richard Briers reads from "Hi!" by Norman Habel.

All IBA Regions as London except at the following times:—

ANGLIA

9.35 am Play Guitar. 10.05 Kum Kum. 5.45 pm Mork and Mindy. 6.15 Feature Film: "Blood On The Arrow," starring Dale Robertson. 12.30 am At The End Of The Day.

ATV

9.10 am Helping Hand. 9.35 Play Guitar II. 10.00 Clue Club. 5.45 pm Mork and Mindy. 6.15 Saturday Cinema: "The Invasion Of Johnson County." 11.00 The Late Night Movie: "Baby Love," starring Keith Barron and Linda Hayden.

BORDER

9.00 am Helping Hand. 9.30 Play Guitar II. 10.00 Friends Of Man. 5.45 pm Mork and Mindy. 6.15 Saturday Night At The Movies: "Bedtime Story," starring Marlon Brando.

CHANNEL

5.14 pm Puffin's Pla(i)ce. 5.45 Mork and Mindy. 6.15 Feature Film: "Raid On Rommel." 11.00 Untamed World. 11.30 Barney Miller.

GRAMPIAN

9.05 am Bailey's Bird. 9.30 Sesame Street. 6.15 pm Feature Film: "Catlow," starring Yul Brynner, Richard Crenna and Leonard Nimoy. 11.00 Seachd Laithean. 11.15 Feature Film: "Beyond The Barmuda Triangle," starring Fred MacMurray. 12.40 am Reflections.

GRANADA

9.30 am Helping Hand. 9.55 Larry the Lamb. 10.05 Fangface. 5.45 pm Mork and Mindy. 6.15 Saturday Adventure: "Tarzan's Three Challenges." 11.00 The Late Film: "X, Y and Zee," starring Elizabeth Taylor and Michael Caine.

HTV

9.10 am Numbers At Work. 9.35 Lucan. 6.15 pm "Bridger—The Fortieth Day," starring Sally Field and Ben Murphy. 11.00 "Assassin."

HTV Cymru/Wales—5.45-6.15 pm Pwy Fasa'n Meddwl?

SCOTTISH

9.10 am Helping Hand. 9.35 Fantasy Island. 6.20 pm Feature Film: "Catlow," starring Yul Brynner and Leonard Nimmoy. 11.00 Late Call. 11.05 Soap. 11.35 Luke's Kingdom.

SOUTHERN

8.45 am Play Guitar II. 9.10 Sesame Street. 10.02 Regional Weather Forecast. 10.05 Superman. 6.15 pm "Raid On Rommel," starring Richard Burton. 11.00 Southern News. 11.05 "Gone To Ground," starring Charles Tingwell.

TYNE TEES

9.00 am Saturday Shake-up. 9.05 Three For The Road. 9.55 Saturday Shake-up. 10.05 The Monkees. 10.30 Saturday Shake-up. 10.50 The Saturday Movie: "White Feather," starring Robert Wagner. 12.20 pm Saturday Shake-up. 6.15 "Terror On The 40th Floor," starring John Forsyth. 11.00 Police Story. 12.40 Epilogue.

ULSTER

9.30 am Helping Hand. 9.55 Larry the Lamb. 10.05 Fangface. 10.30 Chopper Squad. 11.30 Sesame Street. 5.00 pm Sports Results. 5.45 Makin' It. 6.15 The Big Film: "Tarzan's Three Challenges," starring Jock Mahoney and Woody Strode. 10.01 Ulster Weather followed by Heartland. 11.00 Fantasy Island.

WESTWARD

9.20 am Look and See. 9.25 Sesame Street. 10.25 Gus Honeybun's Birthdays. 12.27 pm Westward News. 5.45 Mork and Mindy. 6.15 Feature Film: "Raid On Rommel." 11.00 Saturday Night In The West. 11.30 Barney Miller. 11.55 Faith For Life. 12.00 West Country Weather and Shipping Forecast.

YORKSHIRE

9.00 am Cartoon Time. 9.10 Spidermen. 9.30 Logan's Run. 6.15 Saturday Action Adventure: "The Neptune Factor." 11.00 The Saturday Night Film: "Shamus."

RADIO 1

(S) Stereophonic broadcast
‡ Medium wave

5.00 am As Radio 2. 7.00 News. 7.03 Playground. 8.00 Tony Blackburn with Junior Choice. 10.00 Peter Powell. 1.00 pm Adrian Juste (S). 2.00 Paul Gambaccini (S). 4.00 Rock On Saturday (S). 7.30 Steve Wright. 10.00 Al Matthews. 12.00-6.00 am As Radio 2.

RADIO 2

5.00 am News Summary. 5.02 Cricket: England v West Indies (report). 5.03 Paddy O'Byrne (S) including 6.02, 7.03, 8.03 Cricket and 8.04 Racing Bulletin. 8.07 David Jacobs (S). 10.02 Kevin Morrison (S). 12.02 pm Paul Daniels with Star Choice (S). 1.02 Stop The World. 1.30-6.00 Sport On 2: Football Special (1.30, 2.15, 2.45, 3.00, 3.20, 3.45, 3.50, 4.42 and at 5.00, 5.45 classified scores; Cricket (1.30, 1.55, 5.30) England v West Indies; Racing From Ascot (1.30, 2.05, 2.35, 3.10, 4.50); Tennis (1.30, 2.20, 2.50, 3.30, 4.50, 5.30) Colgate Masters Tournament: Sports Report (5.00). 6.03 European Pop Jury. 7.02 Beat The Record. 7.30 Radio 2 Top Tunes Special (S). 8.02 The Geraldo Orchestra (S). 8.30 Semprini Serenade (S). 9.30 Big Band Special (S). 10.02 Hilversum Greets Radio 2 (S). 11.02 Sports Desk. 11.10 Ray Moore (S) with The Late Show, including 12.00 News and at 12.05, 1.02, 2.02 Sports Desk. 2.03-6.00 am You And The Night And The Music (S).

RADIO 3

7.55 am Weather. 8.00 News. 8.05 BBC Welsh Symphony Orchestra (S). 9.00 News. 9.05 Record Review including Building a Library (S). 10.15 Stereo Release (S). 11.15 Bandstand (S). 11.45 Diversions (S). 1.00 pm News. 1.05 Brahms Piano Music (S). 2.00 Play It Again (S). 5.00 Jazz Record Requests (S). 5.45 Critics' Forum. 6.30 "The Golden Cockerel" (S) (simultaneous with BBC-2 television) opera in three acts by Rimsky Korsakov, including 7.25-7.45 Interval Reading. 9.00 That In Aleppo Once by Vladimir Nabokov (reading). 9.30 Violin Sonatas part 1 by Schumann, Beethoven (S). 10.20 A Poet On Painters: Dryden (reading). 10.30 Violin Sonatas part 2: Janacek, Mozart (S). 11.30 French Piano Duets (S). 11.55-12.00 News.

RADIO 4

6.25 am Shipping forecast. 6.30 News. 6.32 Farming Today. 6.50 Yours Faithfully. 6.55 Weather; programme news. 7.00 News. 7.10 On Your Farm. 7.40 Today's Papers. 7.45 Yours Faithfully. 7.50 It's A Bargain. 7.55 Weather; programme news. 8.00 News. 8.10 Sport On 4. 8.45 Today's Papers. 8.50 Turning On The Tap. 9.00 News. 9.05 Breakaway. 9.50 News Stand. 10.05 Talking Politics. 10.30 Daily Service. 10.45 Pick Of The Week (S). 11.35 International Assignment. 12.00 News. 12.02 pm Money Box. 12.27 The News Quiz. 12.55 Weather; programme news. 1.00 News. 1.10 Any Questions? 1.55 Shipping forecast. 2.00 News. 2.05 Wildlife. 2.30 Saturday-Afternoon Theatre (S). 3.30 Does He Take Sugar? 4.00 News. 4.02 God In My Language. 4.30 Time For Verse. 4.40 Come To The Opera (S). 5.25 Week Ending (S). 5.50 Shipping forecast. 5.55 Weather; programme news. 6.00 News. 6.15 Desert Island Discs with Sir Peter Parker, BR chairman. 6.55 Stop The Week With Robert Robinson. 7.35 Baker's Dozen (S). 8.30 Saturday-Night Theatre (S). 9.58 Weather. 10.00 News. 10.15 Encore. 11.00 Lighten Our Darkness. 11.15 The Philip Jones Brass Ensemble (S). 11.45 Shades Of Night. 12.00 News.

BBC Radio London

5.00 am As Radio 2. 7.32 Good Fishing. 8.00 News; weather; traffic; sport. 8.15 Weekend What's On. 8.30 London Country. 10.03 Stuart Colman's Echoes. 11.30 The Robbie Vincent Show. 2.00 pm Time Off. 3.00-6.00 am Join Radio 2.

TV RATINGS W/e Dec. 30

UK TOP 20 (Homes viewing m.)

1	To the Manor Born (BBC)	17.85
2	Where Eagles Dare (BBC)	17.50
3	Are You Being Served? (BBC)	16.25
4	Mike Yarwood (BBC)	15.70
5	Blankety Blank (BBC)	15.55
6	All Creatures Great and Small (BBC)	15.25
7	Coronation St. (Mon.) (Gran.)	14.50
7	Jim'll Fix It (Wed.) (BBC)	14.50
9	Search for a Star (LWT)	14.40
10	Sale of the Century (Anglia)	14.30
11	Jim'll Fix It (Sat.) (BBC)	14.20
12	Give Us a Clue (Thames)	14.00
13	Tomorrow's World (BBC)	13.95
14	Last of the Summer Wine (BBC)	13.90
15	Generation Game (BBC)	13.85
15	The Sting (BBC)	13.85
17	London Night Out (Thames)	13.70
18	Fawlty Towers (BBC)	13.65
19	Crossroads (Mon.) (ATV)	13.45
20	Top of the Pops 79 (Thurs.) (BBC)	13.35

Figures prepared by Audits of Great Britain for the Joint Industry Committee for Television Advertising Research (JICTAR).

CHESS SOLUTIONS

Solution to Position No. 302

The pawn is poisoned, as White found after 1 KxP? Q-R5 ch! and if 2 KxQ, R-R1 ch; 3 K-N5, B-B3 ch; 4 K-B5, R-KN1 followed by R-N4 mate. The game went 2 K-N2, Q-N6 ch followed by QxBP ch and White's position soon collapsed.

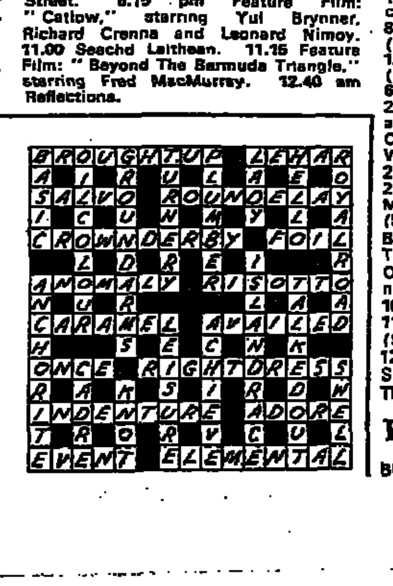
Solution to Problem No. 302

1 N-N7, P-B6; 2 NxP, KxN; 3 B-B7 mate.

SOLUTION AND WINNERS OF PUZZLE No. 4,166

Following are the winners of last Saturday's prize puzzle.

Mr. R. D. Milnes, 24 Neville Drive, Coalville, Leicester LE6 4DX. Mr. J. T. O'Brien, 3 Deramore Park South, Belfast, BT9 5JY. Miss B. Strankes, 15a Langley Avenue, Surbiton, Surrey ET6 6QN.



COLLECTING

Women with the needle

BY JANET MARSH

THERE ARE some evolutions in collecting habits that are not associated with economic circumstances and inflation-hedging. Collecting historic textiles, for instance, quite suddenly came into vogue in the early 1890s: art periodicals of the time are full of articles on old lace and embroidery.

The taste lasted 30 years or so, but was then not revived until very recently.

It is only with the last four or five years, for instance, that Christie's, South Kensington, who now specialise in the field, have held regular textile sales.

The early collecting boom may well have coincided with a period of realisation that machine-made textiles were fast usurping hand work. The new enthusiasm comes at a time when a revival of hand crafts in general suggests a comparable surge of nostalgia.

These fine embroideries of the past reflect of course eras of female subjugation to make even the mildest feminist wince. For centuries the women of any European household were expected—as they still are in many peasant societies — to utilise such time as was not taken up by serving the needs of their masters, in needlework. Even so the women of the Tudor and Stuart periods may still have felt a secret sense of superiority, seeing the extent to which their fine embroideries were used to cover up the inadequacies of male-made furniture, or man-tailored clothes.

Significantly, inventories of the 17th century often value the coverings of a chair or bed at many times the price of the furniture itself.

Because of its perishable nature, no great bulk of embroidery has survived from before the 17th century. Most that has survived is ecclesiastical vestments or church furnishings. Enough of these exist in museums however to reveal the 13th century as a golden age (literally, too, the best ecclesiastical embroidery was richly embellished with jewels and gold thread) which was not to be equalled until Elizabethan times, when embroidery came more into secular use, to supplement the rich imported velvets and damasks demanded by higher standards of domestic comfort.

The 17th century brought a rich variety of embroidery techniques; and much still survives for the collector. "Crewel-work."—wool embroidery on twill, or linsey-woolsey — was inspired by Indian originals, notably the serpentine "tree of life," snaking up bed curtains and colourfully inhabited by exotic birds and flora, with strange beasts to guard the roots where they sprang out of lumpy little hillocks.

The prints in herbals and illustrated classical works, such as Ogilby's 1658 edition of Virgil, inspired the 17th century embroiderers, who worked their pictures in a variety of techniques—tent-stitch (or petit-point), Hungary stitch, appliqué and stumpwork, in which portions of the ornament are raised in relief upon a foundation of wood or padding.

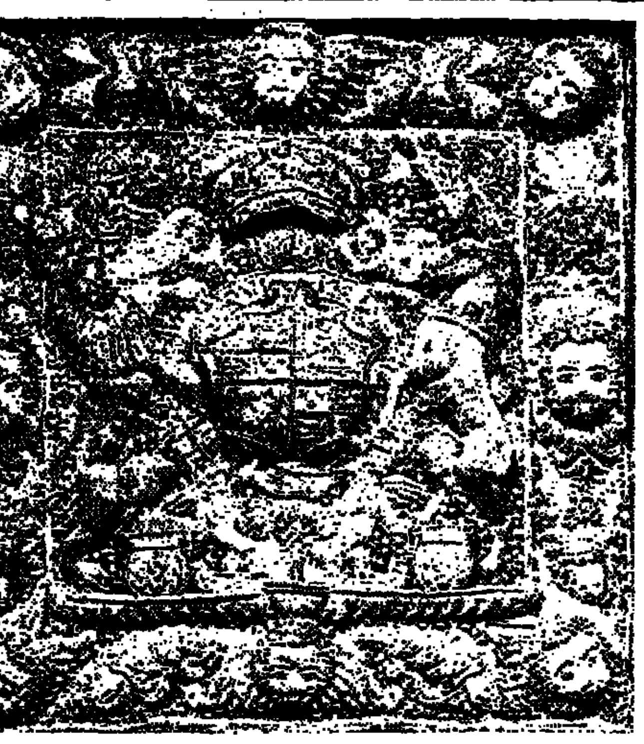
The "sampler" was a test of the embroiderer's skill. But perhaps it served also as a kind of aide-memoire, to record the impressive repertory of stitches and effects available to the needlewoman. The earliest known samplers date from the turn of the 17th century; and occasionally you still find examples worked by girls in village schools in the early 20th century.

Samplers—which a decade ago you could still find for a couple of pounds or so—have become a specially popular field for collectors. When Christies sold a good collection last month an unusually large 18th century example realised £1,300; and another of unusual interest, commemorating the Battle of Culloden, made £1,100.

Traditionally a young girl's sampler embodied in its design the alphabet, the numerals, the date and the name and age of the embroiderer. Alas, a large proportion were mutilated in after years by their own makers who, as they arrived at a certain age, carefully unpicked the incriminating date.

Christie's has a particularly good sale of fine embroidery other than samplers on January 29. One section of the sale comprises an outstanding collection formed in the early part of the century by Mrs. Walter Burns, grandmother of the present owner and vendor.

Mrs. Burns belonged to the Pierpoint Morgan family, and she and her brother enthusiastically combed Europe in the early years of the century for antique textiles. Part of their finds decorated Mrs. Burns' home at North Mimms Park which was liberally hung and upholstered with fine old textiles.



Embroidery from a Lord Chancellor's bourse worked in raised work with the arms of England and CR for Charles I or Charles II.

The Burns collection is notable not only for its quality but also for the condition of the textiles, which have been kept, ideally, in total darkness. Only in the present century have we forgotten (perhaps because we now have so few good textiles to protect) that light is the worst enemy of fabrics. Until only 60 or 70 years ago people habitually and prudently shuttered their windows against direct daylight.

The single outstanding object in Mrs. Burns' collection is a panel of steel-grey satin appliqué with yellow satin designs in Renaissance style: putti with musical instruments, harpies, dogs, grotesques and fabulous beasts. Dating from around 1560, a piece of such age and size and quality is of extreme rarity; and the saleroom estimate of £2,000-£5,000 is a very broad guess.

From another property there is a super 15-inch square for the bourse of a Carolean Lord Chancellor, worked in raised work, entirely silver, with the arms of England surrounded by podgy angel faces. More modest, but hardly less rare, is a dainty 17th-century bag-purse of cloth of gold, woven in coloured silks with scenes of castles and the countryside.

Estimated at £100-£200, this might be in the reach of the more modest collector. One of the attractions of this field of collecting is that while an exceptional sampler, a 17th-century needlework picture or embroidered casket can go into the four-figure bracket, there are still many decorative and interesting fragments of textiles or embroideries to be found for £20 or under.

Paying the price of optimism

FT/SOTHEBY
ART MARKET REVIEW
IAN BENNETT

ANYONE GLANCING through the latest editions of Sotheby's and Christie's yearbooks cannot fail to be stunned by the price levels reached by the best examples of any particular type of art. Just to go through the current volumes makes the prices of a decade ago seem unreal.

One is amazed at the extraordinary wealth of works of art which still appear to flow endlessly through the salerooms, but also aware of a few really outstanding prices, sums which are not, necessarily, among the highest but which represent a completely new level within the ever changing structure of the market.

Equally remarkable in their own ways, are some of the prices paid at Christie's — £245,300 for a painting of an interior in Cairo by the 19th-century British artist John Frederick Lewis and £1,115 for a small piece of costume jewellery designed by Coco Chanel; £802,800 for a Fauve painting by Matisse and £53,520 for a French 19th-century glass paperweight by the St. Louis factory.

At the same saleroom, one might also mention £446,000 for a painting by Mondrian, the same price for a landscape by Jan Breughel the Elder, and £568,650 for a seascape by Jan van de Capelle. Or what about £66,900 for a 16th-century English bookbinding, £88,000 for a pair of 18th-century American chairs, £66,900 for a 19th-century grand piano of quite startling vulgarity or £184,659 for a 1920s clock by Van Cleef and Arpels about which much the same comment could be made?

Equally inexplicable to many will be the £82,500 paid for an early 20th-century Tiffany art nouveau glass and bronze lamp, £104,815 for an art nouveau glass cup by Gallé, £48,291 for an art nouveau brooch by Lalique, or £210,526 for a 1936 Mercedes-Benze type 500 K two-passenger roadster.

Even prices for undeniably beautiful objects, such as the £83,625 paid for a 16th-century English glass goblet by Verzelini, take one's breath away, but some things, such as a not very rare photograph of Brunel by Howlett at £8,362 or £62,860 for the 4d Western Australia stamp "with inverted frame" are verging on the incredible even for hardened saleroom watchers.

Sotheby's, too, had its fair share of "super-startlers." Two collections, the Ojee (ex Wildenstein) 18th century French furniture and works of art and the Maxwell-Constable ancient glass, might be said to have altered these particular markets overnight. In the first, a single piece, a Louis XV encoignure by Dubois after Pineau fetched a staggering £835,165, after which prices like £219,780 for a Louis XIV boulle centre table, £461,531 for a Louis XVI commode by Leleu, £285,714 for a pair of encoignures by Latz, or £307,692 for a Louis XV folio cabinet by Van Risenburgh the Younger seemed almost commonplace, even though they were all higher sums than had been paid previously at auction for furniture of any kind.

Perhaps even more incredible, however, was the £579,800 given for the Maxwell-Constable Roman glass "cage" cup of circa 300 AD, an object in which only the real expert would be able to see much beauty.

Once again, there were many other pieces in the collection which fetched quite remarkable prices—£83,625 for a tiny signed Cypriot glass cup of the 1st century AD, although after the "cage" cup, they too came as distinct anticlimaxes.

Among other prices at Sotheby's which one feels may have a lasting effect on their particular markets were £146,341 for a still-life by the 19th century Irish-American painter William Harnett, £13,800 for a single mezzotint by Prince Rupert of the Rhine, £50,155 for a 19th century Persian lacquer pen-case, £379,000 for a manuscript atlas by Mercator, and £22,927 for a single autograph letter by Mozart.

Two Stradivarius violins could make £161,875 each, but most people would probably not find that as extraordinary as the £12,265 paid for a violin bow, although it was, admittedly, by Francois Tourte, acknowledged as the greatest maker of such things. English furniture of the best kind at last seemed to be making prices commensurate with its quality, as demonstrated by the £111,780 given for the Combe Abbey library table attributed to Chippendale and despite the enormous prices paid for French furniture in the Ojee sale, one could not help noticing the £87,912 given in the same auction for a Louis XIV Savonnerie carpet, which is the second highest price ever 'd at auction for any carpet, Occidental or Oriental.

To continue the list, £267,600 was paid for a Central African carved wood stool of the Luba tribe, £122,650 for a 17th century Japanese Kakiemon porcelain vase (only a year ago, we were marvelling over prices in the region of £30,000 for porcelain of this type), £30,732 for a single Japanese woodcut by Harunobu and £50,930 for a 16th century Russian silver beaker.

The value of watches took a massive upward lurch when a Breguet gold-cased pocket watch fetched £63,555 and nothing among the sums paid for 18th century French furniture could quite match the shock-value of the £89,000 paid for a slightly battered early 20th century oak writing desk designed by Charles Rennie Mackintosh.

Among more esoteric items at Sotheby's, Nijinsky's diary for the years 1918-19 made £50,175, a small ivory portrait medallion by David le Marchand fetched £46,830, an early 19th century Scrimshaw (etched whale's tooth) made £14,146 and a late 19th century painted Berlin porcelain plaque, about which the less said the better, fetched £7,805.

The 1970s has seen a remarkable resurgence of interest in Islamic art. Oriental carpets which, at the beginning of the decade, were almost being given away, have been among the most rapidly expanding growth markets, in terms of price and also for the numbers of new collectors. My "star choice" for the 1978-79 season seems to show, none the less, that even here there is still much that remains to be discovered.

If one of the most noticeable features of the carpet market during the past two or three years has been the growth of interest in tribal and village rugs, one of the most interesting and yet still under-valued areas remains the weaving of the Baluch tribe of the Persian-Afghan border region. But one extraordinary price at Sotheby's last April suggests that even this might now be changing.

I refer to the so-called Harbley Clark "Adraskand" carpet, which fetched £13,380 at Sotheby's last April. It seemed to me one of the most remarkable prices I had ever seen paid in a saleroom.

Stopped to foil Artifice

RACING
DOMINIC WIGAN

NO HORSE in recent seasons has shown a better liking for Ascot than Artifice and it is not surprising to find him a short-priced favourite for the Tote Two Mile Trophy there this afternoon.

Artifice, whose one success to date this season came six weeks ago when he proved far too quick for Siberian Sun in the closing stages of Sandown's Tingle Creek 'Chase, was in no way disgraced on this course last time out.

But for a slight mistake at the final fence in the Frogmore Chase, it seems probable that Artifice would have given 9 lbs and a beating to Young Arthur rather than going down by three-quarters of a length.

Of Artifice's four opponents—Hilly Way, Lord Greystoke, Stopped and Sparkling Tartua, I have most regard for Stopped. A headstrong individual, who could give his 7 lbs claimer some problems should he get worked up before the race, Stopped is nevertheless a smart 2-mile chaser, when caught in the mood.

He will be ideally suited by this small field and in receipt of over a stone from Artifice, may just have the measure of the favourite.

There is no doubt that Venture to Sognac will be seen to better advantage over this extended trip and I cannot see him failing to cope with Sugarlly on level terms.

There was something of an off course touch brought off through Rising Falcon's Boxing Day victory at Huntingdon and it comes as no surprise to see the Lady Herries-trained eight year old tackling far stronger opposition in the Philip Cornes Novices Hurdle qualifier. Rising Falcon, had been off the course for two years before that Huntingdon victory achieved at odds of 10-1, and a follow-up seems quite possible.

ASCOT

1.00—The Herb
1.35—Rising Falcon***
2.10—Stopped*
2.40—Venture to Cognac**
3.15—Tiepolino
3.45—Silly Abdull

Seeing a dream realised after ten years

TENNIS
JOHN BARRETT

FOR THE first time since its inception in 1970 this week's Masters Tournament in New York, will produce the world's best current male player. In that first year, in Tokyo, the American Stan Smith, surprisingly emerged to defeat Rod Laver for the title. Smith's prize was $15,000 from a total pool of $45,500.

Ten years and three sponsors later, (Pepsi Cola, 1970 and 1971, Commercial Union 1972-1976, Colgate-Palmolive 1977/1978-1979/80) the present Colgate Masters at Madison Square Garden at last fulfils the dream of the Grand Prix originator Jack Kramer of matching the eight leading players in a rich festival of round-robin and knockout play. This week's winner will receive $100,000 from the Singles pool, of $300,000 and the doubles winners (doubles was added in 1975) will split $40,000 from total prize money of $100,000.

In the years between, the Masters failed to attract all the eligible players as the game struggled to find a formula that would fairly control the fastest growing spectator sport in the world. Tennis became the victim of its own success. More cities in more countries wanted to be included in the Grand Prix than there were weeks available. The top players were in demand everywhere for their importance to gate income, could pick and choose their tournaments and bucked against rules which attempted to expose them in the smaller events.

By simplifying the qualifications after a wrangle a year ago, the Men's International Professional Tennis Council, has at last assembled a full strength field. After 87 tournaments in 27 countries which yielded $11m in prize money for men alone, the top eight men who between them won 42 of those toitles have gathered in New York.

In the Blue Group, arte the Grand Prix Number One John McEnroe of the U.S. (1979 prize money $941,745), the number four, Argentine's Guillermo Vilas ($362,966) and the two Americans Vitas Gerulaitis, number five, ($339,578) and Harold Solomon, number eight ($220,333).

The Red Group, comprises Sweden's Bjorn Borg, the number two ($898,742), two more Americans, both left handers, Connors, number three ($669,605) and Roscoe Tanner, number six (235,551), and Jose Higueras of Spain, number eight ($206,158).

With two wins each McEnroe and Borg seem likely to head their groups, and Vilas and Connors will probably emerge with them to the semi-final stages which are on a knock-out basis.

On Thursday night we were treated to a gem of a match between Borg and Connors, who had played each other on this same court in the 1978 Masters Final. Connors had won that one, in a close third set but since that time the Swede has recorded nine wins in their 11 meetings. Six of those victories occurred last year, and Borg started 1980 on a winning note with a 3—6, 6—3, 7—6 victory that spanned two hours and 37 minutes of absorbing and thrilling tennis.

It was a fitting hors d'oeuvre to the main banquet ahead on Sunday. These two might even play each other again in the final. Only McEnroe or Vilas could prevent that.

A tale of tiresome novelties and lots of little lists

GOLF
BEN WRIGHT

WHILE sporting statitics can be as fascinating to some as they can be irritating to others, and thoroughly misleading to all and sundry at times, the American preoccupation with them borders on the obsessive. Gridiron football teams plan their chessboard type moves from computerised reports on the opposition. Baseball, basketball, ice hockey and even our own soccer are being smothered by statistics. And now golf threatens to travel the same computer-dominated route.

The PGA Tour has said that week by week "Official Statistics" will be published in nine different categories instead of the two which have been previously available, starting this weekend at the Bob Hope Desert Classic in rain sodden California, the first event of the 1980 season. In addition to the usual money winning table and stroke averages which have been hitherto updated weekly, new categories will include driving accuracy—fairways hit and held—driving distance, percentage of greens hit in regulation figures, lowest average number of putts per round, highest percentage of holes played in sub par figures, most eagles scored and most birdies recorded. It will be quite boggling as the computer spews out its weekly load of trivia, much of it in my opinion largely meaningless, or at least misleading.

For instance, Open Chamupion Seve Ballesteros proved conclusively last July at Royal Lytham and St. Anne's that driving accuracy was of no real importance, at least on courses that are not tree-lined or otherwise place a reasonable premium on straight hitting. Ben Hogan and Sam Snead still hit practically every fairway, and even the minute area of them they regard preferable to set up the most desirable second shot. But the putting frailties that so often inflict great players rather than the mediocre ones who do not experience the same kind of pressure, cause them to become ageing legends rather than recent winners.

Lee Trevino wil almost certainly prove to be statistically the most accurate driver on the American circuit this year, but Hale Irwin, the 1979 U.S. Open champion, reckons that Mac McLendon will be a major contender for that "honour." Tom Kite who drives the ball as straight as anyone, picks Al Geiberger as a very real rival to Trevino. Since the amiable but largely anonymous McLendon finished 140th on the money list in 1979 and won less than $14,000, and Geiberger a struggling 58th despite winning a tournament, their driving cy can be seen to be truly inconsequential.

Long hitting from the tee appears on paper to be a contest between Fuzzy Zoeller, the 1979 U.S. Masters champion, Andy Bean, Lon Hinkle and Jim Dent. But there are some distinctly dark horses in this area, which I hate to see ranked as a valuable commodity. Of course we all know how valuable sheer length can be, but it would be shameful if golf was ever allowed to be completely dominated by brute strength and ignorance rather than shot making ability.

The most probable dark horse I referred to on the PGA Tour is Mark McCumber, a stocky little man who is a partner with his brothers in a Jacksonville, Florida, golf course construction business. McCumber demonstrated his immense length to the huge, and duly impressed Irish galleries when he finished third in last year's Carrolls' Irish Open at Portmarnock. Peter Jacobsen, recent winner of the Western Australian Open and another big man Dan Pohl, both still virtually unknown, could also rival the siege guns if they can pre-qualify often enough on Mondays. And I haven't forgotten the ever unpredictable Tom Weiskopf, who could finish on top in any or all of the categories if he could ever give golf his full time attention. I suspect that might happen in 1980.

Hitting the most greens in regulation can also become a very misleading statistic, particularly in America, where they are so often extensive in area, and pins tend to be "hidden" behind bunkers and in remote corners. How often has one seen a really mediocre shot played into a green leave a golfer with a comparatively simple 50-foot putt, while his brave partner has attacked the flag and finds himself with a diabolically difficult down chip from less than half that distance or of grass just off the fringe which has the consistency of barbed wire. But if I had to bet on the most accurate players in this category Irwin, Kite, Tom Watson, Larry Nelson and Bill Rogers, the Suntory World Match Play champion would certainly be on my short list, with the ever modest Lou Graham and Australia's David Graham, the current U.S. PGA champion to be seriously considered.

Practically every good judge would nominate Ben Crenshaw, Dave Stockton and George Archer as the three best putters in the world today. But here again I would point out with more than a little cynicism that they have had to be to survive on the tour so wildly inaccurate are the vast percentage of their shots from tee. In consequence they have had few chances of hitting many greens in regulation figures, and constantly rely on the often delicate and always courageous art of scrambling. That is why I should like to see the putting category altered to reward the player who most consistently gets up and down in two shots, having missed the green. Gary Player would be among the favourites for such recognition.

The three categories recording the highest percentage of holes played in sub par figures, most eagles and most birdies scored appear somewhat superflous to me, since any of those tables could conceivably be led by a man who was woefully inconsistent, and dropped as many strokes to par as he saved. Money won in a season and the lowest stroke average—which wins the coveted Vardon Trophy—are still the most important facets of the game to those in world class.

Nevertheless it is as well to reserve judgment and make haste hopefully—to the sunshine in Phoenix, San Diego and Pebble Beach for the next three weeks with a considerable sense of gratitude.

BOOKS

Victorian hostage

BY C. P. SNOW

The Abyssinian Difficulty
by Darrell Bates.
Oxford, £9.50, 240 pages

In the 1860s the British Government—actually succeeding British Governments—got into a mess not dissimilar, though on a miniature scale, from that which the White House now knows all about. The Emperor of Abyssinia (which we should now call Ethiopia) decided that he wanted friends. The Turks were too close for safety, and not to be trusted. Emperor Theodorus wanted the support of the strongest European power and so wrote, as one supreme ruler to another, to Queen Victoria.

There was nothing stupid about this step, although it somewhat misjudged the power relation between Victoria's Britain and Theodorus's Abyssinia. Theodorus wasn't at all stupid. He was both brave and cunning, even if occasionally slightly deranged. He required arms from a major power, and even more the technicians who would teach Abyssinians to make arms. He knew his country had to modernise itself to survive. What was more sensible than for one Christian monarch to appeal on terms of equality to another?

There was no answer to the letter for over two years. When an answer did come, it wasn't signed and sealed by the Queen, but by some insignificant person by name of Lord John Russell. Theodorus was enraged, a state in which he spent much of his time. Previously he had had two English advisers to whom he usually listened, the British Consul, Plowden, one of those curious roaming figures whom the Foreign Office in the 19th century seems to have picked up out of the air, and the other John Bell, an Englishman who had transformed himself into an Abyssinian, not for any esoteric reasons but simply because he preferred the Abyssinian life.

Those two, particularly Bell, were extremely tactful and sensible and handled Theodorus with skill, but both had died in their early forties. The new Consul, Cameron, was another eccentric appointment. He had no qualifications for the job, and his chief distinguishing mark was a refusal to live in his official posting, which was to Massawa. Theodorus disliked him at sight and was certain that he had no connection or influence with Queen Victoria.

So what to do? Theodorus was a man of resource, and didn't hesitate. He arrested Cameron and other Europeans whom he could collect. They were put in chains. (This wasn't as ferocious as it sounds, and was explained by the inadequacy of Abyssinian prisons.) The hostages would be released when Theodorus received a satisfactory response from the Queen.

The problem moved to Whitehall. What to do? Sir Darrell Bates shows a delicate command of cat-humour, which foreigners sometimes profess to regard as a specially English accomplishment. Sir Darrell is well equipped for this art. He has spent a variegated set of tours for the Colonial Service, including three years, in wartime, in Abyssinia itself. He knows precisely how officials, even good ones, would respond to this kind of trouble. They would be irritated. They would wish that the problem would go away. They would wish that Cameron was anywhere else on earth, or alternatively gathered to his fathers.

As the commotion increased, Edward Stanley was Foreign Secretary. He was one of the most attractive of Victorian aristocratic politicians, and a humane and civilised man. But he was about the last man to be disposed to Palmerstonian action. Minutes accumulated. Emissaries were sent to talk to the Emperor—which was a great deal more difficult than might be thought, since he was good at disappearing and had no intention of communicating except on his own terms. The only British emissary who had any real talent was Hormuzd Rassam, plucked out of the secretariat in Aden, a complicated mixture of racial stocks, Armenian-Kurdish-Persian. He spoke a good many languages, but unfortunately not Amharic, which was the Emperor's native tongue. They seem to have managed in Arabic.

The Emperor Theodorus—"brave and cunning."

Rassam behaved with good manners, extreme patience and considerable psychological finesse for three years or more—since the Emperor, who liked him and explained that there were no hard feelings, duly put him in chains too.

The number of hostages grew. There were protests in the British press, perhaps not so much as there would be now, but enough to disquiet a Victorian Government. The same in Parliament. What to do? The last thing Ministers wanted was a military expedition—expensive, slightly ridiculous, and in country so difficult that it might be a fiasco.

The British knew remarkably little about Abyssinia. They did know something about the jagged terrain. They also knew that politically the country was rather like Scotland at the time of Macbeth, with warring barons and ferocious fighting men. In such a medieval state, they might be able to separate the principal barons from the Emperor, but they weren't well-informed enough to know where to go. Not a country to fight in. But, at last, with a very bad grace, the Government had to agree to an expedition.

Then they were lucky. By good fortune or good judgment, they turned tentatively to the Governor of Bombay. The Governor, not a specially energetic man, turned tentatively to his Commander-in-Chief, Robert Napier, a General from the Bengal Engineers. Things moved. It is difficult to imagine planning in that detail and, relative to the period, on such a scale, happening so fast nowadays. Napier and his staff had an expedition plan and a battle plan ready in something like three weeks.

From then on, the expedition went, as the Germans used to say, according to plan, which marks it out from most in military history. Napier was unfortunate in his time. He would have been a first class modern general, expert in logistics, intellectually equipped to play chess with large forces. He became too old for the Boer War, or otherwise we could have dispensed with Roberts, Kitchener and all the others. You can see him now at the top of Queen's Gate in one of the most deserved of military statues.

The hostages were released, substantially intact. The Abyssinians were indomitable fighters, but were technically outclassed. Napier's expedition cost £9m; a large sum in the 1860s, but very few British lives, as Napier wasn't slow to point out. The Emperor made a grand theatrical suicide. Queen Victoria tried to look after the Emperor's son. Napier got a peerage. Rassam got a money grant and finished his life in credit and honour at Brighton.

Fiction

Hungarian illusions

By ISOBEL MURRAY

Streets
by János Nyiri.
Translated from the Hungarian by Jim O'Malley and Tom Winnifrith.
Wildwood House, £5.95,
290 pages

Rainbow
by William Harding.
Michael Joseph, £6.50,
375 pages

All Girls Together
by Paula Neuss. Duckworth,
£5.95, 141 pages

The Siesta
by Patrice Chaplin. Duckworth,
£5.95, 174 pages

Streets is basically a novel of Hungary in 1955 and 1956. We might then expect it to be sombre, doomladen, tragic. It has those aspects, but they are outweighed by the elasticity of youth, the high spirits and the intellectual volatility of the group of students at its centre. As is only to be expected in a novel by János Nyiri, who himself left Hungary in 1956, it has an unmistakable mark of authenticity also.

A group of young men, friends since school, are now students, unwillingly about to enter the bleak world of adult responsibility and conformity. Amid their sexual explorations and general hi-jinks works a worry: is one of them an informer? Was one responsible for the arrest and death of 16-year-old Schlosser for blowing up trains?

At first the novel is hard to follow, as our attention is wrenched for example from Schlosser, the elder brother, to Kalman König, the suspected agent. If he is not an agent, then his public bullying of another young Schlosser and secretion of his gun may have saved a life. We share the uncertainties of the group. There is Joska Tarcal, main centre of consciousness, who saves his Jewish friend Tamas, falsely accused of starting a student army mutiny. But Tamas will die anyway, and Joska will seduce his sweetheart.

Everything is ambiguous: always this is expressed pithily, wittily: "Encountering a shortage of fear and anxiety the Terror began to falter." Joska temporarily succeeds, owing to "his own cleverness in steering a tightrope path between Marxism and official Marxism."

At last, inevitably, comes the uprising. There is the chapter called "La Fiesta" followed by "Bloodbath." After three days of "mirage, a fool's paradise" come the Russian tanks, the disillusionment, the retreat. Joska admits to a "demoralising idea": the Russians are in command, and can take their time destroying the remaining resistance. There is desperation on the part of those who believe in "a non-Russian type of Communism." Joska lingers at the frontier, and "drops of vodka trickled from his eyes."

Hard to get into, the novel becomes riveting and illuminating. No one who wants simple slogans about 1956 in Hungary should go near it.

Rainbow takes us back to a less painful period in our psyche, to Prohibition America of the 1920s. It is a long, entertaining read, about one hustler in particular, Rainbow Roberts, and his hungry search over the States to find and kill his deserting father, to cheat people out of vast sums, to love and be loved by the almost equally chiselling Iris.

The novel is full of splendid characters, not least Rainbow himself and his opponents, The Greek, The Whip, and the rest.

The black boy Murph, who is Rainbow's closest companion, and accomplice in his betting ventures, is a tender and convincing character, and Iris, the morally torn, beautiful daughter of a craven, debased and much-loved father, is an appropriate mate for Rainbow to aspire to. Well written, soaked in the atmosphere of the 1920s, this novel makes a funny and compelling read.

Paula Neuss's first novel, *All Girls Together*, is a most interesting one. It is set in a girls' boarding school, and conveys the atmosphere, the stresses, the *frissons* of the single-sex establishment in a way that is always believable, often spine-chilling.

Deprived of any other substantial emotional contact, the majority of staff become to different extents obsessed with individual girls. It is in this milieu that Hetty, 15 but not yet physically a woman, finds herself in trouble because of her friendship with Ellen, two years older. Most of the story is told from Hetty's bewildered, honest perspective. The worst of the mistresses takes on a ghoulish quality: the (all female) dance becomes a climax to be feared, and only the safely heterosexual junior English mistress can rescue Hetty from some of her perplexities.

This is a very accomplished first novel, but with weaknesses. Principally, there is no final coming to terms with the character of Ellen. None the less, one awaits the second novel with pleasant anticipation.

Patrice Chaplin's *The Siesta* is a bizarre and self-styled "supernatural love story." It may be unfair to betray that this means that the central character doesn't know she is dead, but I didn't feel it was worth reading the whole book to find this out.

Sex-symbol Sylvia wakes, blood-soaked, on a Spanish airfield when she should be in Las Vegas, stripping on a tightrope. She fears she has killed her lover's wife. After a long time, we learn that the reverse is the case, and that Sylvia's punishment is to be dead and still feel the same human pain. I was not impressed.

Regional rides through Europe

BY IAN DAVIDSON

A Tale of Five Cities
by John Ardagh
Secker and Warburg, £8.95,
457 pages

Nowadays the quality of life is all the rage. Everyone talks of getting out of the rat-race, leaving the big city, finding a simpler and more harmonious life; the colour magazines report, with mingled admiration and resentment, the fate of the most intrepid who have actually given up a secure office job to tend sheep on Skye or found a mountaineering school. Perhaps it is the result of high economic growth-rates, perhaps it is the result of low economic growth-rates.

Whatever the reason, it is apposite that John Ardagh has gone to look at what life is like away from the capital cities, not on the mountains or the moorlands, but in the provincial towns of Europe.

He spent a number of weeks in five different towns—Stuttgart, Bologna, Toulouse, Newcastle and Ljubljana—and he has come up with a crisp and detailed description of each of them, which will be invaluable as a foretaste to any foreigner who faces the prospect of living in any of them for a period. Considering that his on-the-spot research only lasted a few weeks, it is surprising how much information he manages to cram into the pages of the book, ranging from the analysis of the systems of local government, to the social mores of the inhabitants, from gastronomy to culture, from styles of dress to drinking and eating habits.

He has good things to say about each of these places, whether it is the mateyness of the Geordies or the elegance of the Bolognesi or the efficiency of the managers of Stuttgart: surprisingly, for a man who has spent much of his life in France, he concludes that, on balance, he would prefer to live in Stuttgart than in Toulouse, or indeed any of the other towns.

Yet in the end I find this a rather indigestible book, perhaps because the author has been unable to absorb these ever-so solid bourgeois morsels of provincial life. Every page, every paragraph is thick with judgments, impressions, comparisons; the mind of the inquisitive journalist has certainly been active. But Mr. Ardagh keeps reverting to the impression that these are societies which are closed, impervious, exclusive—in a word, provincial. He met a great many people in each of these towns, in many cases the "important" people; yet inevitably he remained an outsider. I suspect that a provincial town can only be written about by an insider, after a prolonged period of residence, or in a novel.

The other problem is that, while Mr. Ardagh seems intelligent and perceptive in marshalling his experiences, he doesn't really *like* any of these provincial towns. He despises their parochialism, and their neglect of the highest intellectual and cultural standards. In other words, he is a man from the big city, who admires but is also exasperated by their isolation from their national capitals, to say nothing of their indifference to the goings on in the wider world.

I don't say he is wrong to feel this way; with only a few weeks to spare for each, he could hardly feel otherwise; no doubt it would be difficult for someone who is at home in Paris or London to feel at home in Toulouse or Newcastle. All I can say is that he does not make me want to try living in any of these towns—though I imagine I would like Toulouse or Bologna better than he does. What John Ardagh has written is not an advertisement for the "quality" of provincial life, but an awful warning. It should appeal to those who want to be reassured that life in the big city is not so bad after all.

Divine Dion

By B. A. YOUNG

Dion Boucicault by Richard Fawkes. Quartet Books, £10.95, 274 pages

"I didn't even know how to pronounce his name," Richard Fawkes apologises in his introduction, though surely he must have heard Colonel Calverley in *Patience:*

The science of Jullien, the eminent musico—.
Wit of Macaulay, who wrote of Queen Anne—.
The pathos of Paddy, as rendered by Boucicault—
Style of the Bishop of Sodor and Man.

In 1881, when *Patience* appeared, Dion Boucicault, born 1820, was still going strong; the 138th of the 160 plays catalogued by Mr. Fawkes in his fascinating book was produced the previous year, *Therese; or The Maid of Croissey* at the Adelphi. There were still four years to go before, at the age of 65, he married (bigamously) his 21-year-old third wife. His name was as well known then as Bernard Shaw's today, and he had worked hard for his reputation as playwright, actor, manager, bankrupt, wit and man about town.

He once claimed to have written 250 plays, but he was a notorious liar. The first on record, for a school production, was done at the age of 15; at 17, with the help of an allowance from a Guinness cousin, he was a full-time actor under the name of Lee Moreton, taking parts like Iago and Hamlet. His pseudonym was a lucky one, for when, still only 20, he called on Charles Mathews at Covent Garden, Mathews received him in the belief that he was Maddison Morton (author of *Box and Cox*), and was so won over that he commissioned him to write a five-act comedy. He wrote one called *London Assurance*, and made a fortune.

Boucicault had a casual way with fortunes; he made several more, with topical pieces like *The Poor of New York* (alias *The Poor of Liverpool, Leeds* and so on) and sentimental melodramas like *The Colleen Bawn* and *Arrah-na-Pogue*, and ran through them all. Much of his writing was straight theft; the Victorians stole as unashamedly from the French as the Restoration dramatists, and with less discrimination. But he was no amateur thief; his adaptations, like his original work, were of high quality, and he was a master of stagecraft who produced stunning effects, and a director of genius who elevated the stage-manager's work into an art.

Nominally he was the son of Samuel Smith Boursiquot, a Dublin wine-merchant; but probably his father was Dionysius Lardner, a scientific dilettante, after whom he was named and who paid for his upbringing. He was thoroughly untrustworthy—a compulsive liar, a thief of others' work, unreliable in business, a seducer of women. Yet everybody loved him but his creditors, and he became the most successful playwright of his time and one of the most successful actors. Doubtless as a result of his insatiable desire for money, he inaugurated the system of royalties for dramatists instead of a flat fee, and helped establish copyright in America; he probably invented the matinee, he first introduced fireproof scenery, he discovered Irving. Mr. Fawkes, stepping carefully through the lies, has given an enthralling account of him, with some interesting illustrations.

Boucicault in drag

Greater use of micro-electronics in appliances in the 1980s will force companies to innovate to stay competitive. Italy's conspicuous success in the European market has created problems for British, French and German manufacturers but they have made strenuous efforts to recover lost ground. The latest products will be at Idea '80, the International Domestic Electrical Appliances Trade Fair opening in Birmingham on Tuesday.

Hard to match Italians' lead

BY JOHN LLOYD

THE DOMESTIC appliance market, worldwide, has been characterised by stagnant or even declining production in some countries, and by aggressive market leadership in others.

At the same time, the introduction of micro-electronics into the electro-mechanical control mechanisms of many appliances has posed a challenge for many companies, to which the most successful are reacting aggressively. As in many other sectors, the semi-conductor will not determine which are the winners and which the losers, but it will accentuate and speed *success or failure.*

One more broad trend worth pointing up is that Japanese manufacturers, which traditionally have not been strong in this area, are now showing signs of a greater interest in it. The move towards greater use of micro-electronics in appliances in the mid-1980s will tend to increase their growing strength, and European and U.S. manufacturers must ensure a faster rate of innovation than many showed in the consumer electronics sphere if they wish to avoid a similar hard pounding.

Within Europe, the most aggressive centre by far for the production of domestic electrical appliances is Italy where such companies as Candy, Indesit and, above all, Zanussi are turning out products which bid fair to become as much English household names as Hoover has in the past 70 years.

Both the Italian Government and the companies identified the white goods sector as an attractive export market in the early 1960s from a position in the 1950s where the only Italian manufacturer of appliances was Fiat (under licence from Westinghouse in the U.S.). The companies established after Fiat's exit from the market have risen to command Europe. Zanussi now claims to be Europe's largest manufacturer in this industry, a position it has held for much of the 1970s.

The success has been based—intriguingly, like that of Fiat—on highly-automated plants producing machines which were quickly recognised as being reliable as well as cheap. The companies apparently have benefited from the vertical

Mixed prospects in the industry are being felt keenly at Singer, which has had to cut back its sewing machine business to meet changed market conditions

integration of the industry in the 1960s: they manufacture many of their own components, and are thus strong in the market for larger appliances (fridges, freezers, cookers) and much weaker, or even wholly absent, in smaller appliances.

Other European companies have found it difficult to match the Italians' lead, and over the past year there have been accusations of dumping and of Government subsidies to Italian industry—usually angrily rebutted and characterised as sour grapes. However, French, German and UK companies have made strenuous efforts to recover or create their markets, both domestic and export.

In the UK, which has seen its markets flooded with imports (and still does), some progress was made in increasing pro-

has had the close attention of the National Economic Development Council through a sector working party and in the past year the working party has published a study on productivity in the industry as well as its regular yearly report.

The productivity study found a fair level of dissatisfaction with working conditions and levels of investment among employees in the industry, coupled with concern by management over low productivity and high absenteeism rates. Manpower in the industry, numbered at around 63,000, is not expected to grow significantly and indeed is more likely to decline.

The working party stressed concern "at the level of subsidy being received by foreign competitors," and produced figures (all for 1977) showing where the import penetration was at its deepest.

Fridge freezers, with an import penetration of 78 per cent in a UK market of 574,000 units was the most extreme. It was followed by freezers, with a 51 per cent penetration in a market of 753,000 units; automatic washing machines—49 per cent penetration in a market of 895,000 units; one-door refrigerators—32 per cent penetration out of 952,000 units; tumble dryers—24 per cent penetration out of 507,000 units and vacuum cleaners—18 per cent penetration in a market of 1.8m units.

Only cookers, with a market of 585,000 units, showed minor import penetration (3 per cent) and indeed ran an export surplus, with 8 per cent of a UK production of 616,000 units being exported.

According to the working party, trends since then have varied from sector to sector. As a general rule, it appeared that imports were down by about 9 per cent in 1978, with home production up by roughly the same amount—though in the fridge and freezer markets conditions were depressed.

In the past year, the trade reports a generally good start, with domestic production well up and a likelihood of bettering the previous year's improving figures.

However, the industry was badly hit by the engineering strike and lost a good deal of production and first indications suggest that the past year will show a slightly worse performance than in 1978. The engineering strike was added to by a long dispute at Hoover, and by the transport strikes early in the year, which delayed deliveries and helped imported goods.

Within the broad market, two appliances in particular deserve attention. First, microwave ovens were forecast to reach sales nearing the 150,000 mark, but it appears that, instead, the market has been depressed.

Manufacturers blame publicity on the claimed safety hazards because of radiation, and especially on a television documentary on the subject which had a wide audience. However, the makers also expect the market to pick up

ovens recommends them to a wider public.

The second appliance has had an even less happy history in recent years. The sewing machine, whose production has been dominated by Singer of the U.S. for decades, faces a declining market. Singer itself faces increased competition and has been slow to innovate; the company recently closed its Clydeside factory with a heavy loss of jobs.

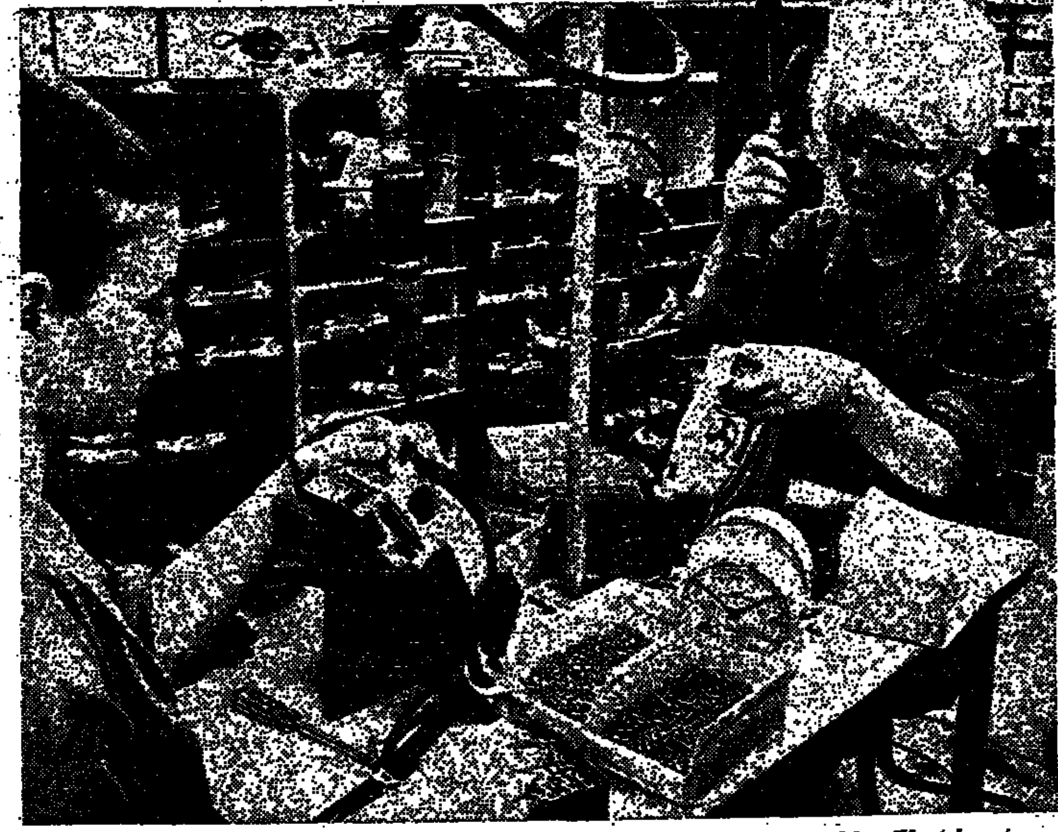
The future for the domestic appliance industry is intimately bound up with two factors: first, general trends in consumer spending, and hence with the economy; second, with innovations, especially in the sphere of micro-electronics.

Few manufacturers are happy when looking to the immediate future. Most concede that a well-used but serviceable fridge or cooker will not be replaced when the family budget tightens, and that comparative luxuries (for most families) such as the smaller or newer appliances simply will not be bought by a wider market. At the same tme, the recession in the housing market means fewer sales there.

Yet two companies with substantial UK bases (one British, one Swedish-owned) are expanding their facilities — they are Hotpoint-Schreiber in north Wales, and Electrolux at Luton. The managements of both believe that the UK industry can recover, and is beating back excessive foreign competition.

On the innovation front, leading European companies—such as Thorn, Hoover, Hotpoint, Electrolux, Thomson in France, AEG in West Germany, Philips in Holland as well as the Italian companies—are all bringing in electronic controls and timers. However, the prices of the more sophisticated appliances that are being manufactured tend to be significantly more expensive than the electro-mechanical equivalents, and few expect the all-electronic kitchen to be general before the mid-1980s.

The secret here



Industry leaders in Britain are confident that performance in 1980 will at least match that of 1979. Above: Assembling electric irons at Hoover's factory at Cambuslang, Lanarkshire

Sales in UK market holding steady

BY A CORRESPONDENT

WITH THE ever-increasing amount of gloom and doom being spread throughout the country, it is little wonder that even the bravest of marketing executives within the domestic electrical appliance industry can hardly raise a smile when asked how he sees his company's future in 1980.

Yet most are not despondent. Although the purse strings are tightening the industry is still confident that any money available will be spent on improving the home, particularly the kitchen.

Certainly it does not appear that there will be much of an advance in sales this year, but on the other hand makers do not see a downturn.

One of the most straightforward answers comes from Mr. ... Dorman, managing director of the UK arm of

He says Britain's white goods market is stagnant, competition is increasing and the number of retail outlets probably will continue to fall in future years. But at the same time Mr. Dorman says there is no evidence that makers selling to multiple shop outlets and discount companies will do any harm to the independent retailer.

He adds: "There are still too many retailers involved in selling appliances in what is still at best a stagnant market. The drastic reduction in the number of outlets that has occurred in the last ten years is probably not yet finished; like the manufacturers, only the efficient ones will survive."

The next few years could prove "very difficult for everybody," Mr. Dorman says.

"Chronic over-capacity still ... in the European appliance ... established industries

are looking to protect their output competition would become more severe." And, on top of that, the UK economy appears now to be heading into another recession.

Britain joined the Common Market about 15 years too late, Mr. Dorman believes. By the time the UK finally moved into membership in 1974, a process of "evolution of the industrial species" or survival of the fittest, was already drawing to its close.

As a result, he says, some British industries are ill-prepared to compete in European terms with the by-now well consolidated European giants.

But despite all this, electrical appliance industry chiefs in Britain are confident that 1980 will certainly match 1979 in performance.

... the Merthyr ... factory is now ... full production with a

ELECTRICAL APPLIANCES 2

EEC makers must diversify

BY TONY JACOBS

FOR THOSE who are concerned with the domestic appliance industries and have an aversion to walking, February can be a trying month. Domotechnica, which is the largest and most important of the European trade fairs covering the white goods sector, opens in Cologne on February 6. (The word "white" in this context is shorthand for all types of domestic appliances; "brown goods" is used to describe all forms of electronic home entertainment equipment, which are exhibited later in the year at their own fair in Berlin.)

Domotechnica is an important marketing event, not only for appliance manufacturers, but also for suppliers of the many key components such as motors, programmers and thermostats, which appliance makers buy from specialist suppliers. It is often these component suppliers who pave the way for the introduction of new ideas and technology into the industry's products, and their stands deserve careful study.

Thus anyone with widespread interest in these industries, needs a great deal of stamina to do justice to an exhibition which, while always extremely well organised, covers many large halls, joined together by some lengthy corridors.

The first appliance trade exhibition of the new decade will provide a valuable platform from which to observe how European industry will seek to overcome the problem of low growth, which it faces in the 1980s. Overlaying the traditional patterns of competition between the major manufacturers will be a common interest in the potential for diversification, in the activities of suppliers from outside Europe, and in the impact of new technology.

The appliance markets within the EEC have seen little penetration so far by goods from overseas suppliers. Disparities in technical and safety requirements (both the U.S. and Japan use 117 volts 60 cycle mains instead of Europe's 220/240 volts 50 cycles), and fundamental differences in national eating and living habits have combined to provide European manufacturers with a large degree of protection from the U.S. and Japan.

So, freed from the sort of overseas competition that has fundamentally reshaped Europe's brown goods sector, the local white goods industries have been slower to innovate, and must therefore redouble their efforts to find the right formulæ for diversification.

The table illustrates some of the basic facets of the European situation. Firstly it shows that the numbers of appliances built and bought in Europe is very substantial by world standards. The whole of the U.S. white goods industry produced only about 5m washing machines in 1978, considerably fewer than were built in the four principal producing countries in Europe.

PRODUCTION OF DOMESTIC APPLIANCES
(million units)

	Washing Machines		Refrigerators		Freezers		Vacuum Cleaners		Food Mixers	
	1976	1979	1976	1979	1976	1979	1976	1979	1976	1979
U.K.	1.13	1.20	1.29	1.40	NA	NA	2.93	2.73	NA	NA
W. Germany	1.76	1.75	1.80	1.94	1.03	0.96	3.30	3.16	*3.51	*3.72
France	1.43	1.39	†0.94	†0.81	—	—	1.86	1.52	9.94	10.93
Italy	3.5	3.55	4.88	4.76	2.05	2.66	0.61	0.61	1.93	2.15

1979 estimated for the year.
* Includes liquidisers.
† Includes freezers.
Source: Mackintosh Consultants' 1980 yearbook.

The American machines, in contrast to those favoured in Europe, are mostly top-loaders, which here would be considered to be wasteful of electricity (and water), and which are, in time, likely to be similarly criticised in the U.S.

The Japanese white goods industry, with some notable exceptions, is still a long way behind that of the U.S., and even further behind Europe. While Japan produced about 4m washing machines in 1977, fewer than a quarter were modern automatics, the rest being twin-tubs, wringer machines and other out-dated designs. Thus an early threat of large-scale imports of these products from outside Europe continues to be unlikely.

The second aspect of Europe's industries that is illustrated by the table is the way in which some countries, and this is most true of Italy, have managed to corner large sectors of the market. Italian producers have the major share of the key clothes washing, refrigerator and freezer production programmes. In contrast, they have a poor standing as producers of small appliances, such as vacuum cleaners and food mixers, where Germany and France are the leaders.

Expertise in the design, manufacture and marketing of smaller appliances has been a dominant theme in the U.S. business in the past decade, with vast numbers of appliances, many almost unheard of in Europe, which have buoyed up the American industries. Nothing really comparable has yet been achieved in Europe or Japan, although Japan's production in 1977 of more than 4m electrical appliances all dedicated to the sole purpose of cooking rice should not go unnoticed.

Major appliances do not, of course, live in isolation in the home, and a principal theme in Europe has been the increasing need for harmoniously related units that will combine well with modern European kitchen design schemes. The larger continental producers all seek increasingly to offer as complete a range of appliances as possible, and the teaming-up of appliance and kitchen fitments manufacturers has become a significant element in marketing strategies.

This policy has been implemented largely within the framework of the industry's traditional electro-mechanical engineering practices. However, this year's Domotechnica exhibition will demonstrate more positively than ever before, the industry's ability to absorb and exploit the facilities offered by an advanced technology — electronics.

Three separate factors are now combining to accelerate the use of electronics. First, the availability of very low cost micro-processors and cheaper displays is attacking the cost penalties previously associated with the adoption of electronic rather than electro-mechanical timing and programming.

Once they have been designed in, the micros will open the way for much greater sophistication of control, allowing clever, yet easy-to-use solutions to be devised to the problems of instructing the machine by building in a variety of pre-programmed operating cycles, and permitting many other ingenious new and useful features to be added. One need look no further than the latest European video cassette recorders or the American microwave cookers to get a glimpse of what will become possible through the use of micro-processors.

Second, we are seeing the beginnings of a real concern on the part of consumers with the amount of energy and other resources which are used by the products which they purchase.

In the U.S., the Department of Energy is now setting appliance standards, which manufacturers will be required to meet, for the energy consumption of refrigerators, freezers, water heaters, air conditioners, cookers, home heating appliances, clothes dryers and television receivers. Manufacturers will need to design machines with better insulation, more efficient motors and improved operating cycles.

There can be no doubt that electronics will play a very positive role to improving the energy-efficiency of many appliances. Already today, top-of-the line tumbler dryers use humidity sensors to limit the duration of the drying cycle and the amount of current consumed. Eventually, it will be possible to manufacture washing machines which closely match their demands for water, electrical energy and detergent to the kind of washload.

In between these extremes, a combination of lower energy consumption and better performance can result from the application of intelligent electronics to cookers, food processors, washing machines, dryers, refrigerators and freezers, and to many forms of home heating appliances.

The third area of prime electronic interest lies in the impact of electronics upon the fundamental appliance processes themselves. Those working in this field have by-and-large been disappointed at the lack of real progress in the past. Clothes are still washed using techniques not fundamentally very far removed from the ancient one of bashing the material on a stone. Hopes that ultrasonics might offer new clothes washing technologies were dashed when it was discovered that energy in this form, transmitted through the water, tended to damage the fabrics being washed. (Ultrasonics is nevertheless the best way of cleaning many more robust objects, such as jewellery).

It has now turned out that it is in the technology of cooking that electronics is making its first real impact on the fundamental appliance processes themselves. The size of this impact can be gauged by the fact that in the U.S. the size of the cooker markets based upon the two new key technologies of microwave and induction heating had a value of almost $1,300m in 1978.

Ten years ago this business simply did not exist; today it absorbs about 40 per cent of all American expenditure on major gas and electric cooking appliances.

The technological principles involved in these two cooking processes are very different. Microwaves heat only the food in the oven and not the fabric of the oven, nor the cooking utensils. For this reason the cookers can be very efficient, and the cooking process is very fast. While such cookers are widely used in Japan as the principal cooking appliance, in the U.S. they fulfil a role which is complementary to a conventional cooker, while in Europe so far they have been largely confined to the catering applications.

In contrast to microwave ovens, induction cookers aim to supplant gas or radiant ring electric appliances as the prime cooking means in the modern home. Their market share in Europe is non-existent, and even in the U.S. only about 249,000 were sold last year, fewer than in any of the four previous years.

The attractions of a completely flat hob, as easy to wipe clean as an ordinary working surface, have not so far outweighed the cost premium and the very unconventional "feel" of the induction flat hob cooker.

The Cologne fair will provide an insight into all these facets of an industry which needs to innovate not only to expand but also to serve the needs of an increasingly energy conscious community.

Tony Jacobs is a consultant at Mackintosh Consultants.

Sales in UK

CONTINUED FROM PREVIOUS PAGE

workforce slimmed down to 1800 the projections of marketing executive Tony Williamson are cautiously optimistic.

Mr. Williamson predicts that automatic washing machine deliveries from all sources will reach 1.07m which is not significantly below the 1979 figure of 1.135m.

Deliveries in the vacuum cleaner market are expected to drop by about 200,000 on 1979 down to 2,230m. Meanwhile, dishwasher deliveries could well exceed 100,000 machines compared with about 90,000 in the past 12 months.

So what products are going to sell in 1980? Ownership of electric cookers slipped in 1979 by 1 per cent to 41 per cent but manufacturers see this area picking up in the next 12 months.

Over the last five years the demand for build-in cooker units—as against the free-standing type — has grown steadily. The build-in oven now accounts for three per cent of ownership compared with one per cent two years ago. The demand for build-in hobs is just as satisfactory. There can be little doubt that the market for build-in models is going to expand considerably.

If the mortgage rate continues to rise and new housing remains scarce, the demand for build-ins in the existing homes will escalate as more and more householders concentrate on improving their homes rather than moving. Experience proves that most housewives will put the kitchen at the top of the improvement list.

Similarly, the automatic washing machine market will advance. Many of the twin-tub washing machines of the John Bloom era have now passed their expected lifetime and few housewives will go without this essential item. The cost of using a launderette continues to go up.

Another product line that augurs well for 1980 is the two-door fridge/freezer. The single-door refrigerator appears to be losing favour and money spent on replacing this kitchen "must" is being spent on the fridge/freezer. Deliveries to the trade have risen by more than six per cent in the 12 months to October 1979.

Ownership of the single-door refrigerator has levelled out at 75 per cent of British households —a figure that has remained steady since 1975. This compares with a dramatic rise to 15 per cent for the fridge/freezer last year from 5 per cent in 1975. And freezer ownership has risen from 18 per cent in 1975 to 25 per cent last year.

There are a number of reasons for the swing to fridge/freezers. The first is space saving; another is the fact that a large freezer is not necessarily the money/time-saving appliance that many housewives once thought it was.

Many of the houses built today have smaller rooms than older properties and it always appears to be the kitchen space that is sacrificed to make way for other living areas.

In heating, the storage radiator has enjoyed a good year following the Electricity Council's introduction of the Economy 7 off-peak tariff. Sales of these radiators are well up after a recent slump and all the signs are that this will continue.

When the Economy 7 tariff was announced in the summer of 1978 it was widely expected to bring the storage radiator back into public favour. And it certainly did. Sales through electricity board showrooms in 1978-79 soared by 70 per cent to 93,081 units.

However, direct acting heaters such as radiant and convector types are not so popular now. Ownership in the UK dropped from a high of 86 per cent in 1972 to 70 per cent in 1978. And last year there was another 5 per cent fall.

Sales of quilted bed covers appear to have hit the electric blanket market. Though ownership had remained steady at 50 per cent for five or six years, sales dropped off in 1979 and ownership has fallen by 4 per cent.

Electric kettles, hair dryers, toasters, and various other small domestic appliances are all enjoying good sales—except for the electric shaver, where ownership has dropped from a high of 41 per cent in 1978 to only 36 per cent last year.

Most introductions to company ranges due to be previewed at the International Domestic Electrical Appliances trade exhibition in Birmingham (January 15-17) are likely to be modifications rather than sensational new ranges of household equipment.

As a spokesman for the Association of Manufacturers of Domestic Electrical Appliances said: "1980 will be a period of retrenchment for our members. Prospects are not marvellous."

ELECTRICAL APPLIANCES 3

Sewing machines battle

BY JOHN LLOYD

THE CORE of the domestic appliance market—cookers, refrigerators, vacuum cleaners and washing machines — has remained relatively stable in terms of its products for years, and is likely to do so in the future. Only the advent of the freezer, and then the fridge-freezer, has marked a change, though the change is more the development of an existing appliance rather than the production of a wholly new one.

However, there have been marked fluctuations on the periphery. In the past few years —and most dramatically in the last year—the sewing machine market has declined, and presently shows no firm signs of bottoming out. At the other end of the scale, the development of the microwave cooker has *created quite a new sector*, one which is expected to grow greatly.

The domestic sewing machine is intimately connected with the U.S. company, Singer, whose name is almost synonymous with it as Hoover is with the vacuum cleaner. Singer has been producing sewing machines since last century, and its production has survived and thrived even after its operations in one part of Europe were bombed and those in another nationalised by the Nazis.

For decades Singer was a one-product range company, with plants and sales outlets all over the developed world. However, in the late 1960s, it saw the need to diversify and rode off in all directions at once. Under the dominant leadership of the late Donald Kircher, chief executive until 1975, the company acquired computer businesses, white goods companies and housing and property agencies.

These acquisitions—not all of which were unprofitable—stretched Singer's management resources to breaking point, and diverted attention from its main business which, in the early 1970s, was running into storms.

In the U.S., Singer's prime market, sales peaked in 1972. In Europe, they peaked in 1974. Yet the business still made a profit: and so when Mr. Joseph Flavin was brought in from Xerox (he had earlier been a senior executive with IBM) to succeed Mr. Kircher, he concentrated on cutting back on the hasty acquisitions, keeping a lucrative government electronics business and a consumer products sector which includes power tools and furniture.

The sewing machine business, it was assumed, could carry on without much concern. Indeed, the flagging record of the company did pick up under Flavin —until 1977, when the first danger signals got through from the sewing machine business.

Profits from sewing machines dropped 10 per cent in that year, as sales in Europe fell markedly. Competition was the most obvious cause: the Japanese manufacturers, who had been steadily increasing their market share since the 1950s, were beating Singer machines on price and, at times, on features too.

WORLD MICROWAVE OVEN MARKET, 1976-78

(m units)	1976	1977	1978
World	2.0	3.0	3.5
of which USA	1.6	2.1	2.7

Source: Economist Intelligence Unit

The other reason, however, was more disturbing, and it was revealed only when the company commissioned a report into the sewing machine market. The report pointed out, unsurprisingly, that young women—the consumer the company had to attract as purchasers—no longer had the interest in sewing which their mothers had had.

In 1978, the year after the report was delivered, Singer's sewing machine business in the U.S. lost money for the first time: the combined operations crawled into a $5m profit because of Europe. But in the first half of 1979 the combined operation lost $6.8m.

The reaction was swift: Flavin closed Singer's Clydebank, Scotland, factory, whose 3,000 workers represented almost one third of the company's total production force—taking a $130m write-off. That will not be the end: there will be further cuts, and the worldwide chain of company-owned retail outlets will be sharply curtailed. For the next two years the company will undergo further surgery.

Will it work? Behind the answer to that question, however hopeful, lie the stark predictions of the market report. The company has had some success in the top end of the market, with versatile, semi-professional machines selling for as much as $900: it should be able to keep much of that market.

At the same time, its consumer appliances and electronics businesses are doing well, buoying up the sewing machines division. Flavin believes that a slimmed-down company can survive in the sector—though it is clear that the company will not pour resources into the division, and will have to be content with competing in a market place it no longer wholly dominates.

The account of the problems at Singer throws into sharp relief both the now-familiar problems of technological change in traditional products.

The microwave oven is the outstanding example within the domestic appliance sector of a product based largely upon micro-electronic developments. As such, it may be considered as a new product, rather than simply a development of the standard electric cooker.

Conventional cookers are separated from micro-electronics by what a recent report ("Chips in the 1980s," EIU) called a technological gap: electronics companies, such as the U.S. company General Instruments, do make control modules for cookers, but the bulk of them remain hardware and electro-mechanical. Microwave ovens, from the outset, have depended heavily on micro-processors.

These ovens were pioneered in the U.S. which, as the accompanying table shows, remains by far the most important market. The technology used is based on very high-frequency radio waves, which react with the water content of food to create heat and so cook the food. They are simpler, cleaner and more convenient than conventional cookers, and much faster.

The one, enormous, drawback to microwave ovens, and one which has seriously held up at least its European sales, is concern over safety. A recent Granada Television programme highlighted possible dangers of radiation, and similar warnings have been voiced by other *sources. Such is public sensitivity* to radiation dangers that the manufacturers will find it difficult to convince future customers of the ovens' safety before sales are again stimulated.

The leading companies in this market are, naturally, in the U.S. Litton Industries claims to be the sector leader, with Amana probably following. However, Japanese manufacturers have shown great interest in the market, and Mitsubishi, Hitachi, Toshiba, Sanyo, Sharp and Matshushita all have products on the market.

It is forecast to grow by around ten per cent a year, and to be worth $2bn worldwide by 1985. These predictions, however, depend heavily on the fears about safety being resolved.

Future lies in the micro

BY ELAINE WILLIAMS

COST, DESIGN and reliability are the three main factors which attract buyers towards a particular domestic appliance. In a fiercely competitive market manufacturers are beginning to look at the application of micro-electronics wherever possible to produce new models which are little more expensive than their predecessors but which offer the consumer attractive new features.

A silicon chip can be designed to do many different jobs and today costs only a fraction of its price when it was first invented more than 20 years ago. According to the pattern etched on to the chip's surface it may become part of a radio, camera, digital watch, an important part of a television set, or even a computer. Silicon chips are found now in the home in hi-fi systems, telephones, cookers, refrigerators and washing machines.

In washing machines and automatic dishwashers, complicated mechanical timers and controls are replaced by their electronic counterparts but have fewer moving parts and so have greater reliability. Originally, electronic controls used individual components but manufacturers are now starting to use the micro-processor—which combines these functions—to control the operation of their latest models.

By the middle of next year, Hotpoint, part of the General Electric Company, is expected to bring out a micro-processor version of its automatic washing machines although it already has a less sophisticated electronic version called the Liberator. Most of the other home laundry companies are also in a similar position.

Investing in micro-processor controls is an expensive, but worthwhile exercise for manufacturers. For example, Servis Domestic Appliances has invested £1m in the development of an electronic controller for its washing machines. It was the first company to have a micro-processor-controlled washing machine in full production, beating even the U.S. and Japanese companies.

Servis' Selectronic model will be followed by other micro-processor-controlled machines to keep up the momentum of design. The company, which owns about 14 per cent of the UK market, is aiming to enlarge its market share and the company has stated its intention of boosting production by 1,000 units a week.

But what does the micro-processor offer the consumer? It is extremely simple to operate, less likely to break down and can be repaired more easily. A simple touch button replaces the traditional electro-mechanical dial switches to select the seven different washing programmes.

Since the micro-processor allows the wiring to be very much less complicated than wiring on a conventional machine, the Selectronic is also three inches shorter than these types. So, this is also a selling point for consumers who have kitchens into which larger machines may not fit.

For Servis, micro-processor technology provides an opportunity to save on maintenance costs. For example, one call fewer per week for each of its maintenance staff could result in annual savings of about £150,000 for the company. Servis obtained funding under the Department of Industry's Micro-processor Applications Project to proceed with its ideas.

It is not only the products themselves that micro-electronics can benefit. Manufacturers are beginning to use micro-electronics systems in the design stages and to control the factory production line.

Some homes already have cookers controlled by micro-electronics. Again, the new components replace mechanical timers to regulate temperature precisely and switch on and off when necessary to ensure that a meal is prepared on time.

Increasingly, traditional electric and gas cookers are being challenged by more imaginative forms of appliances such as those using ceramic hobs, and the space age microwave ovens. Many companies now producing microwave ovens, such as AEG Telefunken, aim to encourage working mothers to invest in quick methods of preparing meals.

When microwave ovens appeared on the market several years ago they, too, had very simple controls — they were either on or off. Today ovens made by companies such as TI Creda allow the user to vary the power of the microwave beam.

Micro-electronics in all products allow closer control, and in sewing machines the micro-processor enables the user not only to choose from a wide *variety of stitches but also to* add new types of stitches. The micro-processor can remember these new patterns and they can be recalled from the sewing machine's electronic memory at any time.

In industry, sewing machines have gone one step further than this: they can automatically sew a particular shape as well as a particular stitch. In the future, domestic machines may have a similar facility, which could truly take away many of the problems of making clothes.

Washing machines, cookers and sewing machines are just some examples of domestic appliances which have fallen prey to the micro-processor's advance. Dishwashers, too, are destined to follow this same path, but even lighting and central heating systems offer great opportunities for this ubiquitous component.

A popular feature in many homes today is the use of light dimmers to vary the light intensity instead of ordinary wall switches. But by incorporating a micro-processor all lighting could be controlled from a central point in each room. The brightness could be automatically determined by the micro-processor according to the brightness of the day and the function of the room.

An extremely useful aspect of the micro-processor's capabilities would become apparent when a family is away on holiday. The micro-processor could be programmed to switch different lights off and on in a logical but varying sequence. This would be a better deterrent against a burglar than today's fixed time switches or those that operate randomly.

And today's central heating and hot water control systems are very crude compared with the possibilities for totally electronic ones.

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Attitudes to Armageddon

IT IS NEVER easy to remain rational in face of extreme circumstances. There are two contradictory temptations and many victims vacillate between the two: to panic, or to adopt the ostrich-like attitude of the preacher who invented the formula "Let us confront this difficulty squarely, and pass on." Both attitudes have been evident in the last few days, in face of the very different crises arising from the Russian take-over of Afghanistan, and our own steel strike. There have been extreme statements on both topics: perhaps Sir Charles Villiers characterisation of the steel dispute as Armageddan is the most exaggerated, but on the international scene, the gold market has been neck and neck with him.

At home, by contrast, a somewhat technical turnround in the gilt-edged market was being treated for much of yesterday as if it heralded an investors' millenium. Since it is unlikely that we face either Armageddon or the Age of Gold in the immediate future, a more reasonable assessment would be in order.

Economic implications

The international crisis is not, of course, economic, but it does have economic implications. Measures designed to ensure that the Soviet Union pays a high enough price for its expansionism to hurt, and so perhaps to sway the next debate within the Kremlin, also imply costs for those imposing them.

One cost, as Wall Street has very promptly registered, is a rise in defence expenditure. This may be good news for the companies involved, but it is unquestionably a setback for the dollar. Defence spending is inflationary. Grain and technical embargoes hit the balance of payments. If U.S. measures are to be supported by America's allies, as Mrs. Thatcher clearly intends, similar costs could be imposed on us

At home, the steel dispute is a microcosm of the whole struggle in which the Government is engaged. The aim is to force a loss-making industry to confront reality—though a still more drastic reduction in manning might be a more realistic and constructive alternative than a drastic cut in real wages.

In face of this the trade unions have initially reacted by reverting to their ancient prejudices in favour of big, round numbers and opposition to everything that might improve the situation. While talk of sticking out for 20 per cent, or resisting even the closures already agreed on, is no doubt largely propaganda, it is potentially harmful propaganda. It can only tend to undermine the shopfloor realism which has been the most hopeful development in recent months. With world peace disturbed, and domestic peace apparently threatened, what sense can be made of the celebrations in the stock market?

The situation here might have been designed to illustrate two facts of modern market life: the manic-depressive cycle of long-term funding, and what might be called the de-industrialisation of the equity market. We have discussed the gilts cycle many times in the past, and the latest history is quickly narrated. The steel strike and the appearance of some potentially forbidding banking figures for November created a sullen bear market.

The latest banking and government borrowing figures were encouraging in the first case, simply not too bad in the second, but in both cases a good deal better than worst expectation. Bear positions were filled, it became evident that funding was still going well, and the market yesterday celebrated its own buying performance.

At the end of the day, the price movements in the gilt-edged market have been not too illogical. Long yields have fallen quite sharply, in the hope of declining interest rates in the future, but short yields have moved only a little. The market is conscious that there is some way to go yet. It is rather harder to explain of the sharp rally in equities, which at one stage showed a recovery of 8 per cent in a week.

A disruption in steel supplies can only be bad for profits, and the latest official figures show that in the first nine months of the year gross industrial profits were slightly down on 1978 even in cash terms, before providing for stock appreciation. Real earnings available for any other purpose than bare maintenance of the business had clearly fallen very sharply even ahead of the expected recession.

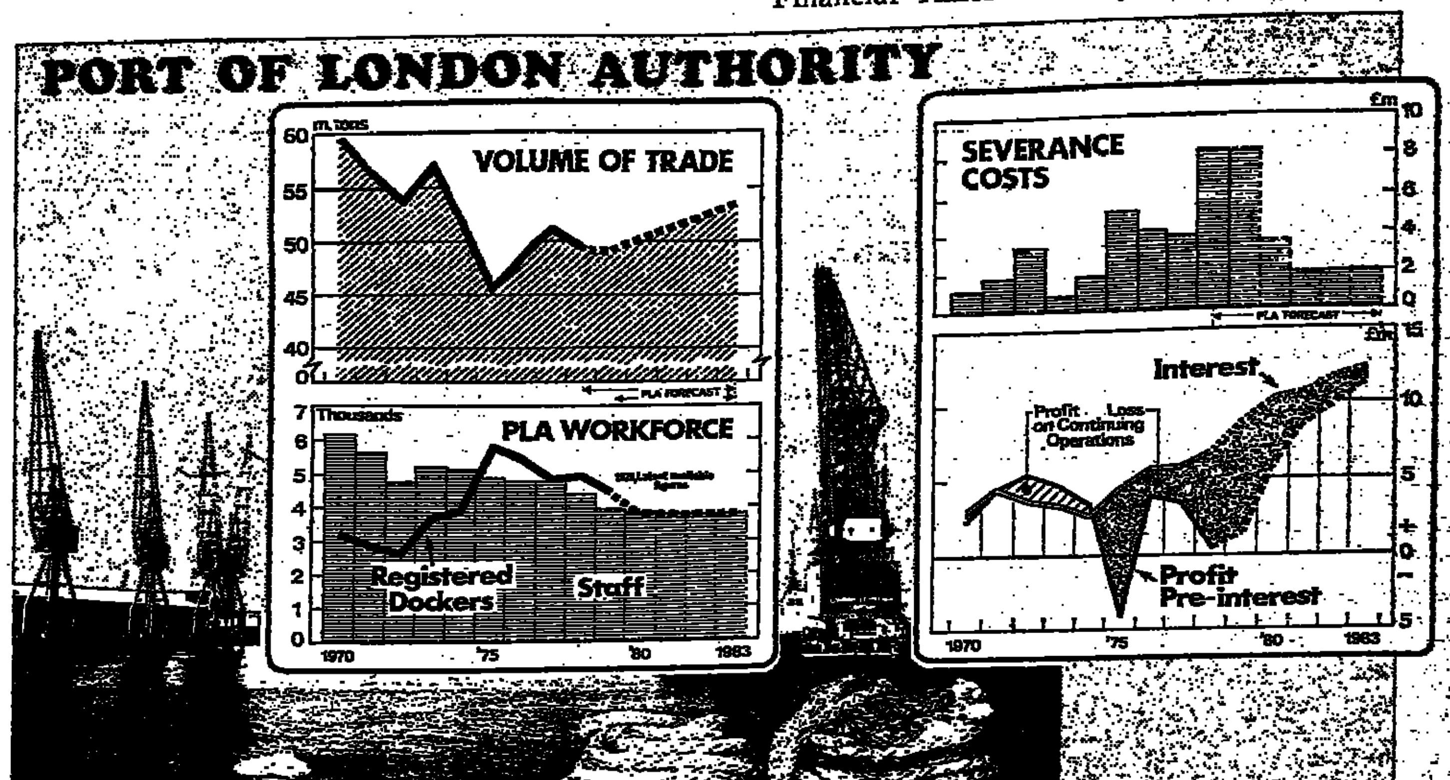
Long-term hope

There is an element of long-term hope here, and a strong whiff of too much money looking for a home; but the market's performance probably also reflects the fact that the de-industrialisation of Britain has long been a fact in market terms. What brokers call the smokestack industries no longer dominate the indicies; finance, services, mining and oil can outweigh any fears about manufacturing. Sir Harold Wilson used to seek economy in which it was easier to earn money than to make it; Mrs. Thatcher talks more restrainedly of the need to earn incomes through output.

When the market resumes the view that production of internationally competitive goods and services is the most promising source of wealth, we will be able to feel that the recovery has really begun.

Last chance for the Port of London Authority

BY WILLIAM HALL, Shipping Correspondent



FEW people can envy Mr. Victor Paige, who took over as chairman of the crisis-ridden Port of London Authority (PLA), last week. For years, well intentioned people have been trying to sort out the problems of Britain's premier seaport but to no avail.

Now Mr. Paige, deputy chairman of the National Freight Corporation and son of an ex-London docker, has only weeks left to solve the worst ever financial crisis in the history of the 72-year-old PLA. If he fails, it will go into receivership just like the Mersey Docks and Harbour Board did ten years ago and few people, outside the PLA, will care. It is a sad fact of life that this once proud port has just about exhausted the public's sympathy for its serious problems.

It has been common knowledge for some time that the PLA is technically insolvent and continues to trade solely on the basis of government support. However, last month the Government announced a strict limit to future financial assistance and turned down the PLA's urgent plea for a capital reconstruction. The Government said that it was going to honour the previous Government's commitments to meet the severance costs of surplus manpower but made it clear that there was no more money after that.

Against this harsh background of inflexible financial limits, a number of factors are working to make the PLA's financial crisis even worse than it was only a few months ago. Higher interest rates are leading to much higher financing charges and the downturn in the world economy is jeopardising the traffic forecasts on which the PLA's recovery hopes are pinned. Worse still, planned reductions in manpower and improvements in working practices are running badly behind schedule.

For these reasons Mr. Paige knows full well that, only months after taking charge, the PLA might not be able to pay its bills and will have to turn to an unsympathetic Government for help. However, his most immediate problem lies closer to home. He has to impress on the PLA workforce the speed with which the money is running out.

This, in itself, is no easy task since successive chairmen and managements have been talking about the financial problems of the PLA as long as most dockers care to remember. The facts are so well known now that their impact is almost lessened by repetition. The port has made a loss every year since 1975, has forecast a loss of £19m before government grants for 1979, and expects to lose money for the next four years at least. The PLA's reserves have fallen from £54m in 1975, to a deficit of £6.5m by the end of 1978.

This supports (if that is the right word) capital employed of around £100m.

Mr. Paige's predecessor, Sir John Cuckney, was only at the PLA just over two years, much to the disappointment of some, who would have liked him to have seen the port through the current crisis. However, during his brief sojourn (he spent an even briefer time as chairman of Mersey Docks) he has managed to dispel the PLA's aloof image and get everyone concerned with the port talking about ways of solving its problems. This in itself has been no mean achievement.

Downstream proposal

However, while there has been plenty of talk there has been precious little action and the PLA's plight has been exacerbated by the political indecision of successive governments.

In the spring of 1978, the PLA suggested that the only way to make the port commercially viable, without outside financial help, was to close both of the Upper Dock systems in London's East End and transfer the business downstream to Tilbury—a trend which has happened at virtually every major port in the world as ships have got bigger. This proposition caused such an uproar that there was even talk of a national dock strike in protest. The PLA watered down its plans and instead proposed that one of the Upper Dock systems, the Royal Docks, should be closed and business transferred to the India and Millwall Docks, and downriver to Tilbury.

In the run up to the general election the Labour Government was keen not to alienate its supporters and the closure of the Royal Docks would have been a nasty shock to Newham, a solid Labour constituency in which the docks are situated. The Secretary of State for Transport, Mr. William Rodgers, promised to support the PLA on condition that it did not close the Royal Docks.

From the Government's point of view the vetoing of the Royal Docks closure solved a short term political problem but for the PLA it was a bitter blow and Sir John Cuckney seriously considered resigning in protest.

However, he stayed on and the Government promised the PLA up to £35m in grants which was to be used to finance severance costs. There the matter rested for some months and the PLA went back to work on its long term recovery plan. In early 1979 the Government was defeated and any decision on the PLA's future plans were delayed while the new administration attended to more urgent tasks.

In June 1979 the PLA submitted its five year plan to the new Minister of Transport who promptly commissioned yet another report from a firm of outside accountants. Early last month, nearly 18 months after the previous Government had announced its policy for the PLA, Mr. Norman Fowler, the Minister of Transport, announced a fresh twist in official thinking about London's beleaguered port.

Instead of ordering the PLA to keep the Upper Docks open the Government said that it was up to the PLA to decide on the detailed steps necessary to achieve viability. In addition, the Government agreed to continue the previous Government's undertaking to provide grants towards the cost of severance of close to £40m and to stand behind the £25m of commercial loan facilities that the PLA had negotiated since June 1977. It also agreed to the postponement of £6m of loan repayments and to support a £5m overdraft facility if necessary.

At the moment the PLA's policy is still to keep both Upper Docks open but to reduce the number of berths operated (the concentration option). Over the period from June 1978 to 1983 the PLA plans to reduce the number of registered dockworkers (RDWs) by just under a third to 3,745 and cut the staff levels by slightly over a fifth to 3,655. In addition, there is a detailed timetable for improved working practices.

The perennial problem for the PLA throughout the last decade has been surplus labour. As conventional traffic was containerised the number of dockers employed by the whole port (including the private wharves) has fallen from 24,000 to 8,000. However, the PLA has found that far from its own dock labour force declining it has been increasing because it is obliged to absorb workers made redundant by private wharves. Even after the recent redundancies the number of dockers employed by the PLA (as opposed to the private wharves) is over two-fifths up on 1970. It has tried to soften the impact of its swollen dock labour force by reducing its administrative staff from over 6,000 to under 4,000 over the same period.

Absorbing surplus labour from private employers which go out of business is a main problem for the PLA—since there is no provision for compulsory redundancy in the docks. In addition, following the Aldington-Jones report of 1972, the PLA is committed to paying normal wages to dockers even if there is nothing for them to do.

At the moment the PLA is paying around 750 men (17 per cent of its dockers) for whom there is no work. This costs the authority around £3.5m a year and is a constant running sore. Another problem is that perhaps a third of the 750 are incapable of working yet the PLA has not been recruiting young dockers for the last decade. The average age of the PLA's workforce is steadily increasing which is a serious threat to the PLA's ambition to remain a healthy and efficient port over the long term.

Cutting the surplus

Consequently, the whole aim of the PLA's latest long-term plan is to cut out the surplus workforce. However, progress on the second short term plan (1979-80) is running badly behind schedule. On present form it looks as if less than two thirds of the planned reduction in PLA employees in 1979-80 will take place. It is also clear that very little progress has been made on improved working practices.

Sir John Cuckney has already said that failure to meet the targets in the current year must mean a total reassessment of the PLA's position. Given the combination of the tight financial limits, the delay in the manpower reductions and the Government's refusal to support a capital reconstruction, it seems inevitable that the PLA will have to reconsider its policy of keeping both Upper Docks open since by its own admission they are no longer commercially viable.

It is against this gloomy background that Mr. Paige takes up his new job. Unlike his predecessors, he does at least have one advantage in that he has spent the bulk of his working life dealing with manpower problems. After nine years with The Boots Company, he went to the Co-operative Wholesale Society as controller of personnel services and then joined the National Freight Corporation as director of manpower and organisation.

Whether his skills in dealing with industrial relations are sufficient to cope with the tremendous problems of the PLA given the shortage of time, is open to question. Apart from the PLA's internal problems, Mr. Paige has to face up to the increasing criticism from rival ports of continued support for the PLA. The principal critic is Sir Humphrey Browne, chairman of the successful British Transport Docks Board. Sir Humphrey has been around the ports industry longer than most, and is close to retirement so he is not averse to ruffling a few feathers.

Sir Humphrey's main complaint is that the PLA is being effectively subsidised on two counts, through Government assistance with severance payments and by official backing for commercial borrowings. He outlines his view of the PLA crisis as follows:

"There is ample port capacity in the UK; yet very substantial subsidies are being provided by taxpayers for the PLA and these subsidies are being used to sustain docks which in the words of the previous chairman can no longer be considered necessary. With subsidisation, charges can be fixed at uneconomical levels to secure or retain traffic artificially.

"I believe in competition. I believe that the profitability of BTDB (£117m over the last five years) derives from the discipline of competition: but subsidies undermine competition and, if continued, the docks industry could become irreparably damaged. Of course I recognise that the Upper Docks present a problem and that rationalisation does require short-term once-for-all assistance. The vice of what is happening is that the centre of the problem has not yet been tackled."

Rather understandably the Port of Liverpool also feels that it has been shabbily treated by comparison with London. When the Mersey Docks and Harbour Board ran into difficulties in 1970 the Conservative Government of the day had no hesitation in putting it into receivership and forcing a 60 per cent write-down in its capital debt with the result that many investors lost a considerable amount of money. In addition, Liverpool has spent around £16m on severance payments over the last few years but unlike London has received no Government aid.

Profitability warning

After the Mersey Docks crisis the Government published a white paper, "Financial Policy for the Ports." In the light of the current situation one paragraph is worth quoting: "The Government does not believe that the problems of the ports in this country will be solved by either subsidies or the worn-out specific of nationalisation. The Government expects the ports to put themselves in a position where they can provide the services essential to the country's economic prosperity efficiently and profitably. They are expected, like other businesses, to be self-supporting and competitive."

This statement may well come to haunt the present Government in the months ahead. Present official policy towards the ports, like that of previous administrations, is full of inconsistencies. If Mr. Paige can transform the fortunes of the PLA before the money runs out, and without the help of a capital reconstruction, the Government will be very happy. But if he fails then the PLA's financial crisis could prove to be an even bigger embarrassment to the Government than was the case with the Mersey Docks and Harbour Board.

Letters to the Editor

Housing

From Mr. J. Straw, MP

Sir,—During the General Election, Michael Heseltine, now Environment Secretary, claimed categorically that "selling council houses saves public money." so his more recent statement (quoted by your correspondent Andrew Taylor, on January 3) that the results of any long term financial analysis of sales "will show exactly what you want it to show, depending upon what assumptions you build into it" does at least represent some substantial shift of view, and unexpected humility in the face of the facts.

But it may also be a preparation to discredit Mr. Heseltine's own analysis, due next week, of sales which on any reasonable assumptions must show that in the long term substantial losses on most sales will arise. For, if with inflation rents rise in money terms, while mortgage interest payments remain broadly stable, there is bound to be a cross-over point at which the short term "profit" from sales becomes a long term loss, as rent income foregone exceeds mortgage interest received.

And there is a lot less scope for argument over the basic assumptions than Mr. Heseltine seems willing to allow. Forecasters may disagree over the precise level of inflation in the medium term but no one disputes that inflation will be well above nil for as far as one can see. Nor can there be much dispute that council rents will rise at least as fast as the retail price index—as they have done over the past 20 years — and significantly faster when Conservative Governments have been in power (average unrebated rents April 1958: 100; April 1979: 663.5; retail price index April 1958: 100; April 1979: 440.7).

Of course the detailed assumptions will affect the time at which the cross-over occurs but the irony is that the Government's policies will ensure that this is sooner, so losses greater, than might otherwise have been the case. The 33½-50 per cent discount on sales lowers the initial gap between rent and mortgage interest repayments; and the large increases in rents which the Government has been reported as planning will do the same.

The Government could have avoided the scepticism around its costings if it had accepted the suggestion that I made last summer for an independent technical inquiry into this question. The fact that it has rejected this, and has repeatedly delayed publication of its own analysis suggests that it now knows that sales at such substantial discounts are a very bad deal for the ratepayer and the taxpayer.

I have no objection to sales at market values and outside areas of housing stress but I have yet to hear a convincing financial or moral case for the enforced high discount policy which the Government is following.

Jack Straw.
House of Commons, SW1.

Imports

From Mr. A. Parsons.

Sir, — Various articles within your newspaper during the past few days have drawn attention to the "Buy British" views of Michael Edwardes. Indeed, the trade Press of my industry has also thought fit to draw attention yet again to importers.

My company (very, very small as it may be) is principally an importer of hardware and hand tools. I do not consider, however, that I am doing a disservice to the nation by building a business over the past 11 years based on imported goods — we must look at the problem in depth. For example, a major import item is a range of Danish wallplugs, produced from raw material manufactured in the UK. This type of reciprocal trading between nations obviously goes on all the time.

We make our contribution toward the Exchequer as well in the following ways: import duty is paid on certain of our imports; by employing staff (a) we remove them possibly from the ranks of the unemployed, (b) by paying them we enable the Chancellor to claim income-tax from their wages, (c) my company pays the larger percentage and they the lower of NHI contributions; by occupying industrial premises we contribute to the rates; providing we make a profit we pay corporation tax; by the sales of our goods we remit VAT to the Commissioners of Customs and Excise; and by the very nature of trading we create business and wealth for our bankers and our customers, for our suppliers and, indeed, for the nation.

Sir, please let us get the importing business in the right perspective.

A. Parsons.
Thunder Screw Anchors,
Industrial Estate, Southwater,
Horsham, West Sussex.

Steel

From the Director and Secretary,
British Iron and Steel Consumers' Council

Sir,—You are no doubt correct in saying that the Government will be seen by the strikers and by the public as participants in the steel dispute (Leader, January 9).

It is however important that the public (i.e. taxpayers) should be aware of the enormous scope for raising labour productivity in the British Steel Corporation by concentrating production in its recently completed modern plants, by closing older surplus facilities and eliminating restrictive practices elsewhere. This would allow substantial self-financing wage increases. We understand that BSC's current excess capacity alone is costing some £250m a year by way of overheads.

The strikers and their leaders may imagine that, instead of recourse once again to the taxpayer's pocket, there is scope for raising prices to cover wage increases. Since the summer there has been a substantial increase in steel imports, in part at least because BSC was forced, in order to limit its losses, to raise its prices out of line with those of its Continental competitors. That meant lost orders, and hence ultimately lost jobs, not only for BSC but also for its customers. As BSC recognises, there is no room for further price increases now without further loss of jobs.

In making these points we are well aware of the grave social problems with which BSC and its employees are faced in better matching capacity to likely future demand. These must be dealt with sympathetically, but that is a separate issue from those involved in the current dispute.

J. F. Safford.
16, Berwyn Road,
Richmond, Surrey.

Liability

From the Chairman
Consumers in the European Community Group (U.K.)

Sir,—I read with interest your report, January 8, of the CBI view that strict liability could damage "the interests of both consumer and producer." It is the view of Consumers in the European Community Group (U.K.), which represents the 22 main UK organisations interested in consumer affairs, that strict liability would be of great advantage of consumers.

The EEC proposal, and recommendations of the Pearson Commission, would close a loophole in current UK legislation so that all people who are injured, or have their property damaged by a defective product, could obtain compensation (not just those who happened to buy the product). At the moment, if an injured consumer was lucky enough to have bought the product personally, he has a direct claim against the immediate seller, who is liable even if he was not responsible for the fault. Other people however injured by the product (such as relatives, friends, bystanders or other users) can only succeed with a claim if they are able to prove that someone has been at fault.

The EEC proposal would establish the principle that manufacturers should be strictly liable for their products, regardless of who is actually harmed: CECG believes that this is fair. The responsibility for providing compensation then falls primarily upon the manufacturer, who created the risk and is best able to take steps to prevent accidents happening and to insure himself. Through insurance, any additional cost, which according to our evidence is likely to be very small, would be shared amongst all consumers of the product so that the injured person is not left to bear his loss alone.

The "development risk" defence excludes a producer from liability if he can prove that the product was not defective in the light of scientific and technological development at the time it was put into circulation. Removal of the "development risk" from the proposal would undermine the principle of putting the responsibility on the person best able to pay. Consumers are then asked to bear the risk of the unknown We cannot see how this can be argued to be in their interests.

Kate Foss.
29, Queen Annes Gate, SW1.

Taxmen

From Mr. J. McNulty.

Sir,—David Freud's eulogy to Sir William Pile (January 5) would have been more acceptable had it not been reported in various accountancy journals that Sir William had, very recently, submitted to a select committee that it was silly to pretend that Inland Revenue staff did not make mistakes, but that the taxpayer, as a corollary, must give information 100 per cent correct. He was also recently reported as finding it desirable to produce Inland Revenue notes designed for a reading age of 12 years.

Thirty years ago Inland Revenue staff wer not only extremely efficient but were prepared to accept that tradesmen and artisans were not trained and efficient clerks, in consequence of which errors could and did occur in information rendered to HM inspectors of taxes without their being any ulterior motive for the mistake.

The present policy of producing higher rate assessments in advance of basic Schedule D or E assessments creates unnecessary work in the department as well as putting undesirable pressure on the staff of the taxpayers' agents and I think Sir William should have stood firmly against this policy.

My tax department advises me than when hardship to a taxpayer arises they are finding it increasingly difficult to contact a tax officer who will accept responsibility and even if they do get a promise of immediate action it never seems to materialise.

I would remind David Freud that under Sir William's chairmanship the Inland Revenue formally denied that district inspectors were advised as to average gross profits of various trades which denial was subsequently recanted. I would further remind David Freud that a simple matter of the application of table benefits for private motoring became, in the words of the headline to his article, a tax task made more difficult—perhaps a more suitable heading for his article could have been "The iron hand in the velvet glove."

Jos McNulty,
Lee Chambers,
Lee Street,
Bacup, Lancashire.

Advertising

From Mr. J. Sutherland

Sir,—May I be allowed to point out to Mr. C. J. Hawes (January 9) that my criticism was directed at some advertising agencies, certainly not at the concept of advertising. Advertising is of course an integral part of selling. I was merely trying to spotlight the gobbleydegook used by some ad. men.

J. D. Sutherland.
41 Westella Way, Kirkella,
Hull, North Humberside.

Wool scientists v. the moths: a replay

BY RHYS DAVID, Textiles Correspondent

IN THE former spa town of Ilkley, in the moors above Bradford and Leeds in West Yorkshire, scientists working for the International Wool Secretariat have been preparing recently for a rematch with their oldest enemy—the moth.

It is 15 years since the last work on moth-proofing was necessary and many people will by now probably have forgotten that wool used to be in the Good Food Guide of a number of insects until treatments with chemicals, in particular Dieldrin, succeeded in making the main product at risk—carpets—a good deal less appetising.

The new research which has now been made necessary stems not from the development of dieldrin-resistant supermoths but from fighter environmental *regulations on use of the* chemical imposed by a number of countries. Dieldrin suffers from the drawback of being highly toxic and even more important, is persistent and bio-accumulative. When released in waste water it can build up to high levels in fish and thus pose a danger to man.

Dieldrin has already been banned in a number of countries, though not yet by Britain, which is urging caution on the grounds that while the problems it causes are well understood, less is known about possible alternatives. A draft directive promulgated by the EEC, could, however, lead to severe limitations being placed on its use, a prospect which is causing considerable concern to British carpet manufacturers, one of the last bastions of mass-produced, all-wool woven carpeting. Dieldrin-treated goods are already banned in Japan.

The problem for wool is that because the market for a safe mothproofing agent is very small, chemical companies are unwilling to risk spending the large sums of money likely to be required to test and obtain clearance for a suitable product. Wool has only 5 per cent of the total world fibre market and it is only those wool products which are likely to be in the dark corners favoured by moths—such as carpets—that require protection. As a result, the total value of the market is put at no more than £2m a year. Two alternative series of products, Eulan and Mittin, are in use as moth-proofing agents but both figure on the EEC's list of potentially dangerous substances, even though neither is *in the same category as* Dieldrin. This is why the IWS has felt obliged to look for a new agent which will be completely safe in use.

"The approach we have adopted is to look at existing insecticides and to formulate them in a suitable manner for moth-proofing. By using a compound already devised for other purposes, development costs can be kept down," says Dr. Trevor Shaw, textile chemistry manager at Ilkley. Since the threat to continued use of Dieldrin emerged, the Ilkley scientists have looked at several dozen possibilities, narrowed these down further to around 12 and become genuinely excited over about three or four.

Of these, the substance that now looks most promisng is a synthetic pyrethoid already in use as an insecticide. In its general application the substance, Permethrin, has the advantage of being unstable—in other words it will kill flies and similar insects but will not remain in the atmosphere. Fortunately for wool, which requires a stable substance so that lasting protection can be obtained, Permethrin's stability is greatly improved once it is in the fibre. Unlike Dieldrin it gradually breaks down and waste water containing it can be safely handled at effluent treat*ment plants. The IWS techni*cal centre is currently working with two big chemical companies on Permethrin and is hoping to have it available as a moth-proofing agent early this year at a price competitive with existing products.

Molten aluminium at 800 degrees C is poured on a sleeve made of Zirpro-treated wool, demonstrating its properties against molten metal splash.

The launch of the new moth-proofer is the latest, but only one of a number of developments to emerge from Ilkley, which has now established for itself a key role in ensuring that wool is not left behind by the technical progress of the man-made fibres, and indeed is able, on occasion, to exploit advantages it has over its synthetic rivals.

As a result of the recent Woolworth's fire in Manchester in which 11 people died, the Government has just proposed new regulations covering upholstered furniture for domestic sale, designed to encourage the use of safe outer coverings. In this way it is hoped, the spread of fire to foam interiors which can give off potentially lethal fumes can be checked. From next June upholstered furniture which does not conform to certain fire resistance tests will have to carry a warning label, while from next December upholstered furniture will have to be able to satisfy tests for resistance to ignition by cigarettes. A further review will be held 12 months after this regulation comes into force to decide if upholstered furniture should also be required to pass tests for resistance to match flame.

According to Dr. Lado Benisek, special finishes expert at Ilkley, possibly as much as 40 per cent of the fabric used *in furnishing* coverings in the UK could fail the second and much more stringent match test if this is eventually incorporated in regulations. Wool, however, would pass, as would some of the specially *modified man-made fibres, such* as modacrylic.

Fire bonus

Wool's fire-resistance properties are due in part to its high water content—roughly 14 per cent. When exposed to extreme heat it tends to char rather than melt or burn and this is again an asset, providing a form of resistance and delaying the spread of flame to other materials such as foam interiors. Wool's charring characteristics also make it less of a hazard to fire victims. Fibres that melt can cause deep burns if they drop on to skin.

The Ilkley work was prompted initially by demands from the U.S. authorities for improved fire safety standards in carpets, and in furnishings used in public places. Further impetus was given to the search for newer and safer materials by the development of wide-bodied jet aircraft such as the Boeing 747. A treatment for wool fibre based on the metal zirconium was developed at Ilkley under the name Zirpro and has been used in the 747 jumbo jets and other aircraft. A new version which reduces smoke levels given off by Zirpro-treated fabrics has also recently been developed to meet standards set by Boeing for its new 757 and 767 aircraft.

Scientists at Ilkley will be continuing to develop the low-smoke Zirpro for use in a wide variety of places—hotels, offices, and other similar buildings—already subject to stringent fire test regulations in the UK and other developed countries. Efforts are being made also to try to combine flame resisting treatments with shrink resistance and oil and water resistance to produce robust fabrics which will shrug off stains and can be cleaned easily. The problem is combining these treatments without making the fabrics too expensive.

The success of Zirpro-treated wools has encouraged the IWS to look at new markets in specialised safety products as well. With technological help from Ilkley, specialist *clothing* companies in a number of European countries have developed protective suits for use by workers in the metal-working, petrochemical, ceramics, and other fire or heat-risk industries, as well as for firemen and car racing drivers.

Much of the work at Ilkley is less spectacular and has the objective of trying to ensure that the mills of Western Europe, Japan and, to a lesser extent, the U.S., continue to find wool an attractive fibre to use technically and economically. The long-term threat to wool is that as a natural fibre it is more difficult to process than synthetic fibres and could, therefore, become less appealing to mill owners seeking high output levels to hold down overheads. Textile production is passing, too, from the developed countries, such as the UK, to newer centres without a tradition of handling wool, where the demand is again likely to be for a fibre that is simple to process.

At the same time many of the bigger mills in the developed and developing countries are now geared to operate on a multi-fibre basis and will not want to invest in the specialised equipment which some wool processing stages require.

Finally, the synthetic fibre producers can now create variations of their basic products specially tailored to meet particular market requirements—a wool-like feel for knitwear, for example, or a soft clinging feel for women's dresswear. Though there are different types and thicknesses of wool, some of the modifications required in the marketplace can only be achieved by the addition of resins and finishes in the mill such as the special superwash treatment, again developed at Ilkley, which gives wool knitwear machine-washability without shrinkage. Though this produces a higher quality product for which a higher price can be asked, this has to be balanced against the extra cost and inconvenience of an additional process.

Development

The problems are being tackled at Ilkley by close liaison with machinery makers to try to ensure that new developments can be extended to in*clude wool. Work is being done,* for example, to see if wool can be spun using the very fast Open-End or rotor system developed for cotton 10 years ago. Spinning wool on conventional cotton spinning equipment is also being tried to make wool more attractive to developing countries without wool spinning facilities. Another line of research is in the field of dyeing and printing wool. Older dyeing methods in the textile industry have been superseded in recent years by newer systems involving lower use of energy and water and much higher throughput, but some of these are too harsh for wool. Machinery improvements have now started to emerge which overcome this problem, while at the same time the IWS has also developed its own cold system of wool dyeing which offers better performance and lower cost particularly for dyeing lighter shades.

The IWS has helped with the development of a new system of drying fabrics using radio frequency waves. The technology being used was originally devised for use in the UK baking industry but work by IWS, the Yorkshire Electricity Board, and a number of independent electrical equipment makers has now produced a system suitable for textiles. This is likely to be put on the market next year by Smith's Textile Machinery of Rochdale.

The IWS is reluctant to reveal just how much its Ilkley research budget is, though an educated guess would suggest at least £2.5m a year. This figure is an indication of the value and importance attached to the centre by the four countries which provide the funds for IWS—Australia, New Zealand, South Africa and Uruguay.

Ilkley's significance lies in the increasingly tough competition between the natural and synthetic fibre producers. During *the synthetic fibres crisis of the* 1970s, the IWS continued a major promotional campaign for wool and this seems to have helped it to hold, and in some cases increase, its share of the market. Following the restructuring that has taken place within man-made fibres during recent years it seems certain that the companies that have survived will emerge as more powerful competitors in the 1980s. The fact that wool is able—in its own field—to match and sometimes better the heavily-researched products of the chemical industry is due in no small part to the work done by Ilkley.

Weekend Brief

Why many Americans are yearning for a snowy white January . . . How the City of London worries about the Moscow Olympics . . . and the cocktail comeback

A tale of snow business—no business

Speculate for a moment on why some of the more commercially minded residents of New York State felt a lightening of the heart at the sign of a few light snowflakes this week. New York did not get a White Christmas, and the way things are going, even although it is bitterly cold, they do not even look like getting a White Easter. For New York this is alarming news, as next month the small upstate resort town of Lake Placid is supposed to be playing host to the Winter Olympics.

No one really believes that Lake Placid will be without snow when the great day comes, but whether or not it will have Olympic standard snow is another matter. For good ski conditions you need early snows, perhaps followed by a bit of rain and some cold nights. You then get a good firm base. It is onto this that the main falls of January tumble and provide the ideal conditions for the various Olympic events. For Lake Placid to get the whole range of weather in four weeks seems unlikely.

The town, state and indeed the nation has a great deal sunk in the hosting of the Olympics, and the idea of the world seeing this major event played out against a backdrop of snowless winter pastures is a worrying one. But there is no question of the Games being cancelled or moved. Lake Placid is already making its own snow with machines and, provided the temperatures stay low the resort will continue to do so. Cloaking the lengthy cross country courses with sufficient cover is, however, likely to prove a massive task—and an expensive one.

The non-sporting fraternity has other concerns about the absence of snow. Without a snow cover to keep the ground relatively warm, the winter chill can bite deep into the earth. It is just this factor which crippled a Russian grain harvest a few years ago as, instead of snuggling under the snow until the warm spring sun arrived the seeds were killed off by sub-zero exposure. Now some of New York's state's vegetation is faced with the same fate. More prosaically residents are alarmed at the prospect of the cold *getting* down deep enough to freeze, and crack, under-water piping.

The other fascinating speculation at the moment, of course, is over what sort of reception the Russian competitors are going to get from American crowds at this festival of snow and ice. The cynically minded might be forgiven for thinking that one of the reasons the U.S. has been holding back in urging its sports teams not to *compete in* the Moscow summer Olympics is that Eastern Europe would pull out of the winter events—a move which would wreck the Games so strong is the eastern bloc in many winter sporting events. Any cancellation now would be a crippling blow to the area, which is awaiting gate and television receipts to pay off the vast investment.

Waiting on Mother Nature for snow is one thing, waiting on international politics adds another cruel dimension.

Bob Stevens at Rumours: a new bubble in the drinks business. *Roger Taylor*

Moscow chill hits City hearts

As if winter worries were not enough there is another aspect of the Olympic game which is sending shivers through close carpeted offices in both New York and the City of London. America's NBC television network, which is currently taking a terrible beating in the ratings, bought the TV rights to the Moscow Olympics in a 1977 deal for $87m, and promptly insured itself against American non-participation with Lloyd's. The policy gives NBC 85 per cent of any money it has paid should the U.S. team not be present this summer.

Every day that passes puts up the amount that Lloyd's stands to pay out. At the last count NBC had passed the $61m mark in payments to the Russians. The reported $2m-plus premium that Lloyd's collected for the policy begins to look cheap at the price.

NBC desperately needs a successful Olympics in order to bolster its sagging performance in its commercial battle with rival networks CBS and ABC. However, now it seems that it is not only the continuance of *the Games which is going to* be important but also the attitude of advertisers and sponsors towards participation.

Now in the U.S. NBC must face the possibility of advertisers being prepared to turn their backs on the vast audience that the Olympics will produce if only to save the problem of having their names associated with Moscow and the Russians. But that, of course, will only *arise if Lloyd's* has not had to pay up.

A fizz in the glass

The brewery barons are probably looking back at the seventies as the decade they lost a sizeable portion of their youth market to the wine bars.

It will give the brewers little comfort to learn that a new trend in alcohol consumption could mean that wine bars will go the way of the pubs over the next decade — Britain's young trend-setters particularly those sought-after ones with the high disposable incomes are scorning the now-passe surrounds of the wine cellar for the nouveau *sophistication of the* cocktail bar.

"During our Happy Hour every night we get about 200 young people in here — and almost all of them order cocktails," said Bob Stevens, owner of London's most popular cocktail bar, Rumours of Covent Garden. "We sell wine and beer, but it is the mixed drinks everyone wants these days—*Pino Colado*—a mixture of light and dark rum, coconut cream and pineapple — is definitely the most popular although right now *San Francisco*, peach brandy vodka, cointreau and grenadine is giving it a run for its money. *They are both £2.40 each, more* than three times the price of a glass of wine.

Stevens says his favourite is the Rumours *Mai Tai*: "But we only serve that to special customers. It is a five shot cocktail and it can really knock your head off." Round the corner from Rumours in St. Martins Lane, Peppermint Park has been specialising in exotic drinks for its fashionably extrovert clientele for almost two years.

"Nobody these days asks for straight drinks," claims barman Nick Ramundi. "If anyone asks for a gin and tonic or a whisky and soda ,you wonder where he's been hiding."

At Zanzibar, a chic private watering hole, also in Covent Garden, 80 per cent of all drinks sold to the under-thirties are now cocktails, according to manager Simon Slater. "It seems to be very fashinoable these days to drink *cocktails*—despite the cost. One of our most popular cocktails is the *Zanzibar Special*—tequila, *vodka, creme de cassis, orange* curacao, orgeat (an almond based syrup) and orange juice—and that's £2.95 a time. Three of those plus the service charge and you're not going to get much change out of a ten pound note."

But some of London's longer established cocktail bars confess to being a little bemused by the sudden swing to cocktails, as though it was a form of refreshment that had just been invented by the young for the young. After all they've been doing it for years. At Knightsbridge's Capital Hotel cocktail bar, which counts a fair sprinkling of us older ladies in our thirties among its clientele, Luis the barman long ago emulated Heinz and drew up a cocktail menu with 57 different varieties—including my favourite the delectably simple *framboise fizz*; eau devie of wild strawberries mixed with a little sugar and egg white topped off with Champagne.

"Any cocktail with Champagne in it is popular these days—we go through more Champagne in this bar than we do wine. But really, despite our 57 exotic titles—including things like *Sea Breeze Cooler*, which is pernod, apricot brandy, grenadine, lemon juice and egg white, I still find that my Bloody Mary is by far the most popular drink. The secret about our Bloody Mary is that we put the Worcester sauce over the crushed ice before we add the vodka, tomato juice, lemon juice, and tobasco—and we stir it. Never ever shake a Bloody Mary."

Contributors:
Arthur Sandles
Robyn Wilson

Economic Diary

TOMORROW: Statement from group of British businessmen returning from first sales promotion trip to Rhodesian since UDI. Lord Carrington, Foreign Secretary, in Saudi Arabia.

MONDAY: December provisional *figures of retail sales. Lord* Carrington, Foreign Secretary, starts three-day visit to Islamabad, Pakistan. Mr. Geoffrey Armstrong, BL employee relations director, meets union negotiators on pay claim. Steel unions' representatives meet Advisory, Conciliation and Arbitration Service on steel strike. Welsh leaders from the coal, steel and transport unions meet to discuss proposed industrial action. Meccano employees meet to discuss Liverpool factory shutdown. Result of Esso tanker drivers' strike ballot expected.

***TUESDAY:** Balance of payments* current account and overseas trade figures for December. National Research and Development Corporation announces new fabric. Economic experts from EEC and Japan start two-day meeting in Tokyo. Inaugural meeting (two days) of Japanese and Chinese economic experts opens in Peking. Iron and Steel Trade Confederation delegates meet to discuss extending steel dispute into private sector.

WEDNESDAY: Index of industrial production for Wales (third quarter). Indices of average *earnings for November. Indices* of basic rates of wages for December. General and Municipal Workers' Union national officers discuss Meccano shutdown. Sir Keith Joseph opens conference on the Finniston report on engineering profession, City University, London. Iron and Steel Trades Confederation and National Union of Blastfurnacemen joint executive meets on steel strike.

THURSDAY: First preliminary estimate of consumers' expenditure (fourth quarter). London dollar and sterling certificates of deposit for mid-December. UK banks' assets and liabilities and the money stock for mid-*December.*

FRIDAY: Retail prices index for December. Tax and price index for December. Index of industrial production (November—provisional). Meccano management and unions meet on factory shutdown. Amalgamated Union of Engineering Workers final meeting on dismissal of Mr. Derek Robinson, BL shop steward.

Assoc. Newspapers £40m in extended trading period

PRE-TAX earnings of Associated Newspapers Group reached £39.97m for the period to September 30, 1979, compared with £15.46m for the previous 12 months. Turnover amounted to £314.05m, against £156.8m.

Earnings from trading totalled £32.72m (£11.16m).

The period under review covered 18 months for the company and Blackfriars Oil Co., and 21 months for all other principal trading subsidiaries.

The effect of including certain subsidiaries for 21 months is to increase turnover by £21.2m and earnings from trading by £4m for the three months to March 31, 1978. For the 18 months to September 30, 1979, turnover and trading profit for the group were £292.9m and £28.7m respectively.

At the interim stage, which covered the 12 months to March 31, 1979, pre-tax profits were £5.87m higher at £21.33m. The directors expected the improvement in earnings to continue over the next six months, but at a lower rate than the previous year.

A net final dividend of 5.95p lifts the total for the period to 12.434p. This compares with 5.811p for the previous year.

Tax took £20.27m (£7.45m). Earnings per 25p share are given as 63.4p, and as 55.9p for 18 months only. For the 1977-78 year, stated earnings were 25.7p.

	18-21 mths. 1978-79 £000	Year 1977-78 £000
Turnover	314,054	156,799
Earnings from trading	32,722	11,163
Associates	2,553	1,001
Investment income	4,690	2,497
Earnings before tax	39,965	15,461
Tax	20,267	7,450
Net earnings	19,698	8,011
Minorities	429	213
Extraord. credit	883	†1,117
Available	20,152	6,081
Dividends	3,780	1,766
Retained	16,372	4,915

† Debit.

See Lex

DAILY MAIL AND GENERAL TRUST

Attributable profits of Daily Mail and General Trust, of which Associated Newspapers is an associate, totalled £3.57m for the 18 months to September 30, 1979. This compares with £1.82m for the previous 12 months.

The net total dividend is raised to 30p (12.91p), with a final of 15.728p. Earnings per 50p share are given as 35.1p (17.9p). Tax took £11.13m (£4.37m).

Total valuation of investments amounted to £68.8m (£46.6m). Net asset value totalled 680p (464p).

The amount of dividends from Associated Newspapers included in attributable profit is £1.89m (£0.89m). The proportion of profits attributable to the company's interest in Associated Newspapers for the 18 month period, after extraordinary items and minorities, is included in the figures and comparisons have been restated.

Profit up at D. C. Thomson

Results of D. C. Thomson and Co., the Dundee-based printer and publisher, for the year ended March 31, 1979, show trading profits of £5.43m against £3.21m and net income of £3.94m compared with £2.72m.

Investment income for the year amounted to £3.25m against £2.76m. Net dividend goes up from 19.9325p to 22.5p—the shares are unquoted.

Ashley Ashwood

Sir Richard Cave, chairman of Thorn Electrical Industries . . . brighter prospects as year-end results come into sight.

Thorn recovering from midway fall

AS INDICATED by estimates in November, results of Thorn Electrical Industries for the half year ended September 30, 1979, show turnover up from £581.3m to £617m but pre-tax profits of £51.3m, compared with £54.3m.

However there has been some recovery in the third quarter and internal management reports indicate that cumulative pre-tax profits for the nine months to December 31, 1979, are little changed.

The board says prospects for the final quarter of 1979-80 look reasonable provided they are not unduly affected by the relatively gloomy outlook and by external strikes

As stated at the time of the announcement of the merger with EMI, the board's expectations for the first half were reduced as a result of the engineering strikes and the strength of sterling.

EMI will be included in Thorn's current year figures and the directors say it is likely that for the four months to March 31, 1980 EMI will show small pre-tax profit before making provision for any necessary reorganisation costs.

Stated earnings per share for Thorn's first half are 22p, against 25.1p. The interim dividend is lifted from 3.6p to 4.05p on capital increased by the merger—the previous total was 13p when pre-tax profit was £118.1m.

The engineering dispute and sterling's strength affected many companies in the engineering industry and the group's lighting, domestic appliances and engineering product groups in particular, the directors say.

However, the performance of Thorn Consumer Electronics showed further improvement as a result of better productivity and lower overheads, although the level of margins in the industry, particularly for colour television receivers, continues to be inadequate.

Thorn Television Rentals again expanded its rental base and the higher depreciation charge for the period reflects investments being made for the future in colour television sets and the new video cassette recorders plus the high levels of replacement of colour television sets installed in the early 1970s.

The name of the company will formally be changed to Thorn EMI with effect from March 3, 1980. Progress has been made towards the manner in which integration of the Thorn and EMI businesses will take place, the directors add.

	Six months 1979 £m	*1978 £m
Turnover		
Home	528.3	476.3
Overseas†	161.5	164.5
Less inter-divisional	72.8	59.5
External turnover	617.0	581.3
Trading profit	107.1	105.5
Depreciation‡	53.4	48.2
Financing charges	2.4	3.0
Profit before tax	51.3	54.3
Tax	19.6	18.6
Net profit	31.7	35.7
Deduct:		
Minorities & pref. dividends	0.3	0.4
Attrib. ordinary	31.4	35.3
Interim ordinary	7.1	5.0

* Restated. † Including exports. ‡ On television sets on rental and fixed assets.

See Lex

Milford Docks meeting defeats Scanoil plans

THE bid by Scanoil to reconstitute the Board of the Milford Docks Company was defeated at an extraordinary general meeting held in Milford Haven yesterday.

In an unusually heavy turnout, shareholders representing over 75 per cent of the issued capital voted on the five resolutions proposed by Scanoil. Of those that voted, some three-fifths sided with the Milford Docks Board and voted against the resolutions.

The remaining two-fifths supported Scanoil. In terms of the total equity Scanoil and shareholders supporting it mustered just under 30 per cent.

The five resolutions recommended the removal of two existing Milford directors, Mr. R. G. Horton and Mr. T. G. Wilkinson, and their replacement by three Scanoil nominees, Mr. H. T. Nicholson, Mr. R. A. Eldridge and Mr. E. S. Barratt.

Scanoil, which has been leading a ginger group representing about 27 per cent of the Milford Docks' equity has been critical of Milford's performance and return on capital. However, it is clear that their arguments did not convince many other ordinary shareholders.

Mr. Richard Eldridge said yesterday that one of the main reasons for the defeat of his proposals was the letter sent to shareholders by Milford employees recommending them not to support the Scanoil initiative.

He said he would like to have had the chance to meet the Milford workers and put his case across. He insisted that he had no plans for any redundancies. He would not comment on his future plans but insisted that the defeat was not a serious setback.

Scanoil itself controls around 12 per cent of the Milford Docks' equity—the other 17 per cent represents other interested parties that have been supporting Scanoil. Mr. Eldridge claims that he is still showing a profit on his investment although the shares have fallen back from their recent peak. At yesterday's close they were 177p compared with 214p at peak.

Mr. Charles Smith, Milford's chairman, says that he was very pleased with the very large amount of shareholders' support. He declined to reveal his plans for Milford's future but said that shareholders would be told in due course.

So for the time being the Milford Docks Board is still in full control but with Scanoil waiting in the wings considerable uncertainty still exists.

Scanoil has never disclosed what it would like to do with Milford but apart from the property potential it is clear that there are attractions in owning a statutory company established by Act of Parliament—a rare animal in the stock market these days.

For one thing there is considerable doubt as to whether it can be wound up.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corresponding div.	Total for year	Total last year
Assoc. Newspapers	5.95‡	Feb. 22	3.96	12.43‡	5.81
Astra Ind. int.	0.25	March 14	0.24*	—	0.78*
Daily Mail and Gen. Tst.	15.73‡	March 7	8.39	30.0‡	12.91
Grange Trust	2.25	March 7	1.54	3.2	2.4
Heron Motor int.	0.8	—	0.8*	—	1.72*
Ley's Foundries	3.25	April 1	3.25	4.3	4.3
Robert H. Lowe	1.51	April 1	1.51*	2.18*	2.18*
Piccadilly Theatre	1.5¶	Feb. 28	1.78	1.5¶	1.78
Owen and Robinson int.	6	Feb. 6	6	—	16
Sidlaw Ind.	5.22	March 17	5.22	6.72	6.72
Thorn Electrical int.	4.05	March 28	3.6	—	13
Vita-Tex int.	—§	—	1.6	—	4.6

Dividends shown pence per share net except where otherwise stated.

* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ For 18 months. § Interim withheld in view of offer from British Vita Company. ¶ For nine months.

Ley's Foundries in loss but dividend maintained at 4.3p

A PRE-TAX loss of £160,047 has been incurred by Ley's Foundries and Engineering for the year ended September 30, 1979, against a £1.19m profit previously, but the directors are recommending an unchanged 3.25p final dividend to hold the total at 4.3p.

At midway, the group reported losses of £530,000 against a £1m profit, but said immediate prospects looked better. However, a decision regarding the final dividend would have to await the year's results.

Turnover improved from £39.36m to £42.92m. After a tax credit of £746,506 (£630,599 charge) earnings per share are stated as 5.06p against 4.79p. An amount of £79,106 (£50,689) is retained.

The tax credit consists of transfers from deferred tax provisions mainly being releases relating to stock appreciation relief for 1973 and 1974.

● comment

It is no coincidence that the losses from Ley's Foundries reflect the dismal performance of its major customers — BL, Massey-Ferguson and Talbot. Helped by a tax credit, however, the group was able to declare a maintained and covered dividend which lifted the share price 2p to 31p. This leaves the shares on a stated p/e of 5.5, suggesting some recovery potential, and a dazzling yield of over 22 per cent, indicating the current parlous state of affairs. Short-term prospects are coloured by the steel strike, which could produce a damaging fall in orders, but there are other more encouraging signs. The agreement with George Fischer will both halve losses at the Lincoln plant and leave Ley's with a comfortable cash surplus. Furthermore, Beeston boiler division is at last breaking even and the current half is unlikely to suffer from as damaging an influence as last year's engineering strike. Taking a longer view, however, the U.S. trading climate and the unsatisfactory customer base at home provide little ground for optimism.

Heron expects full year setback

REDUCED MID-TERM profits are reported by Heron Motor Group, and Mr. Peter Reynolds, the chairman, says the full-year surplus will be considerably lower than the record £3.53m achieved last time.

Pre-tax profits for the six months to September 30, 1979, fell from £1.8m to £1.04m, on lower sales of £65.82m, against £68.75m.

Mr. Reynolds says the group made a reasonable start to the year but the second quarter saw a significant deterioration in trading conditions with the result that unit sales were maintained only at the expense of reduced margins.

Pressure on margins continues, he adds.

The group has maintained its policy of increasing activity in the London area by acquisition of further depots. However, the chairman says the group has continued improving operating efficiency by concentrating on fewer and better trading units.

It has been decided to close several provincial branches because it has become clear these will not produce an acceptable return on investment during the foreseeable future, he says.

The net interim dividend is effectively held at 0.8p—last year's total was equivalent to 1.72p. After tax of £332,000 (£517,000), stated earnings per 25p share are down from 3.6p to 1.78p.

The pre-tax profit was struck after virtually unchanged interest of £363,000 (£364,000).

The ultimate holding company of the group, which has "close" status, is Heron Corporation.

● comment

The Heron Motor share price plumbed new depths yesterday with a 3p fall to 31p after a 42 per cent interim profit slide and the group's experiences of the July-September quarter suggest that an already weak motor distributor sector may be further unhinged. Trade projections indicate 1.4m new car registrations this year, against 1.7m in 1979, and the balance of supply and demand is already badly out of kilter. Traditionally slim retail margins have been flattened since mid-summer by purchase discounts averaging around 12½ per cent and reaching, on occasion, as deep as a fifth. With a healthy balance sheet there is no immediate reason to suppose that Heron will cut the dividend this year despite the sharp prospective earnings shortfall and the historic yield of 8.1 per cent is not far out of line. Most competitors, however, have achieved a considerable degree of diversification to provide some cushion against squeezed margins on distribution but Heron's role as a "pure" motor group can hardly be changed while the long standing relationship with its parent continues in its present form.

Minorco placing

Rowe and Pitman and Wood Gundy, London, jointly have placed Minorco shares arising from the reorganisation of Chartered Consolidated at U.S.$6.10 net per share or the sterling equivalent. The shares were placed in the UK and with international institutions worldwide excluding, for regulatory reasons, North America.

Astra Industrial loses ground at interim stage

REFLECTING a reduced contribution from the metal and metal finishing division of £196,000 against £275,000 and higher interest of £136,000 compared with £56,000, Astra Industrial Group reports a decline in pre-tax profits from £426,000 to £262,000 for the six months to October 31, 1979.

At the end of the last full year, when reporting profits of £1.04m, the directors said the period had been one of consolidation and would provide a foundation for increased profits in the current year.

They now say that while the recent engineering strike caused only minimal stoppages at Astra, the effect on customers of the metal division was the main reason for the profit shortfall. Further rationalisation of this division has taken place, as a result of which Mr. G. Handley has resigned from the board.

It was decided not to abandon the company's investment programme although this attracted exceptional interest rates. Astra could release substantial cash resources if an attractive proposition presented itself, and the present difficult times should increase the opportunities for such an occasion, say the directors.

They add that every effort is being made to recoup the difference in profit compared with last year and the company's strong financial base is allowing it to trade successfully against its competitors.

The net interim dividend is effectively lifted from 0.243p to 0.25p on earnings of 0.66p (0.94p) per 10p share. Last year's total payment was equivalent to 0.783p.

The company's interests lie in electrical and mechanical engineering, heavy press tool manufacturing, ferrous scrap processing and sheet steel stockholdings.

	Six months 1979 £000	1978 £000	Year 1978-79 £000
Turnover	4,226	3,958	8,965
Metals	2,867	2,648	6,173
Engineering	1,369	1,310	2,782
Trading profit	360	433	1,141
Metals	196	275	600
Engineering	164	158	541
Inv. & other income	41	49	78
Interest	139	56	178
Pre-tax profit	262	426	1,041
Tax	119	223	379
Net profit	143	203	662
Extraord. cdts.	—	5	14
Available	143	208	676
Dividends	54	52	169
Retained	89	156	507

SPAIN

January 11	PRICE %	+ or —
Banco Bilbao	205	
Banco Central	220	
Banco Exterior	212	
Banco Hispano	210	−1
Banco Ind. Cat.	136	
Banco Madrid	175	
Banco Santander	239	−4
Banco Urquijo	177	−6
Banco Vizcaya	209	−2
Banco Zaragoza	205	
Dragados	100	
Espanola Zinc	58	
Fecsa	58.5	+0.5
Gal. Preciados	35	+2
Hidrola	61.7	+0.2
Iberduero	60.2	−0.5
Petroleos	113	−2
Petroliber	73	
Sogefisa	115	
Telefonica	54.7	+0.7
Union Elect.	61.2	−1.5

Results due next week

After the quiet Christmas and New Year season the stream of company results picks up again next week, with Trust House Forte and Grand Metropolitan giving an indication of how the hotel trade has fared over the summer period.

Analysts expect a profits increase of around a fifth to £134m when Grand Metropolitan announces its full-year figures next Thursday—in spite of unfavourable currency movements, prolonged bad weather and national strikes. The effects of higher consumer spending will have spilled over into the second half while there will be the benefit for three months of the proceeds from the £77.6m rights issue in June. In trading terms the biggest percentage increase is expected to show up in the gaming division with useful increases from milk, brewing and hotels—in spite of pressure on tourist occupancy rates.

This latter factor will also be evident in the preliminary results from Trusthouse Forte, a much larger hotels group, due to report on Wednesday.

However, while tourism might not have ben as buoyant as in previous year, business travel has remained strong and the non-London hotels are expected to do most of the running, thanks to tariff increases. This will lead to a strong performance from the hotels division, which accounts for more than 70 per cent of group profits. Analysts are forecasting at least £68m for the year, against £55.5m last time.

Magnet and Southerns should acheive between £11m and £12m in pre-tax profits when interim figures are announced next Wednesday. The group's home improvement side is reported to have been doing very well and the fact that timber prices have been rising over the last year should also help to increase earnings through stock profits. The interim figure, a rise from last year's £9.2m, could be followed by a full year showing of £23m, against last year's £19.7m.

The preliminary figures from Tate and Lyle on Wednesday will be complicated by substantial capital items, primarily ship sales and the disposal of African Products. Excluding these factors the account is expected to show a profit of around £17m. This will mark a further fall from the 1978 figure (net of exceptional items) of £22.8m. T and L will be deprived of a contribution from African Products, will be paying higher interest charges on borrowings of around £100m and will have suffered from the engineering dispute in its agribusiness. Commodity trading profits are expected to be slightly down.

Analysts are expecting profits of around £3.7m net of dealing profits from Stock Conversion, which reports interim figures on Wednesday. Estimates of net revenue range widely from £4.3m and £4.9m, which compares with a 1978 figure of £4.95m (including £1.88m of dealing profits). Last year's dealing figure was exceptionally high, however, and analysts believe that, with a small cash-requirement at the moment, the very large dealing stock may show little surplus at the half-year stage.

The outlook for British Electric Traction is unexciting. Analysts are predicting little change when interim figures are revealed next Thursday; last year's interim profit was £34.4m before taxes. The reasons for this projection include the fact that the United Transport subsidiary, which accounts for about 30 per cent of group profits, has a calendar year-end and will still show signs of last year's road haulage strike. Further, the group's Rediffusion interests have not done well and the Hong Kong operation was in loss. For the full year, projections hover around £75m, against £72.1m last year.

Other companies reporting next week include SGB group with preliminary figures in Tuesday, and S and W Berisford together with Gestetner, also with full-year results, on Thursday. Interim figures are expected from Wellman on Tuesday, Letraset on Wednesday and Raybeck on Friday.

Company	Announcement due	Dividend (p)* Last year Int.	Last year Final	This year Int.
FINAL DIVIDENDS				
Albion	Wednesday	0.6	1.0	1.0
Amalgamated Tin Mines of Nigeria	Wednesday	1.0	1.8082	1.0
Associated Paper Industries	Thursday	1.21	2.26752	1.21
Berisford (S. and W.)	Thursday	1.75	‡2.4375	2.5
Bett Brothers	Monday	0.767	1.1333	1.0
Claverhouse Investment Trust	Monday	1.5	2.9	‡2.25
Countryside Properties	Wednesday	1.005	1.675	1.4
Dewhurst and Partner	Friday	0.279	0.642	0.32
Eurotherm International	Thursday	—	2.68	1.5
French (Thomas) and Sons	Wednesday	1.2	1.6	1.4
Gestetner Holdings	Thursday	2.125	2.2842	2.5
Gough Cooper	Tuesday	1.98	3.38	2.1
Grand Metropolitan	Thursday	1.75	2.9828	2.5
Greenfriar Investment	Thursday	—	1.65	—
Jitra Rubber Plantations	Monday	—	1.9	—
Kenning Motor Group	Monday	1.75	2.88	1.75
Raeburn Investment Trust	Friday	1.25	2.8	1.45
Reo Stakis Organisation	Wednesday	†0.184	0.808	0.384
S.G.B. Group	Tuesday	2.75	3.55	3.15
Trusthouse Forte	Wednesday	1.425	3.89	2.0
United Guarantee Holdings	Friday	—	0.202	0.232
United States & General Trust Corpn.	Wednesday	1.75	5.084	‡4.68
INTERIM DIVIDENDS				
A.G.B. Research	Thursday	1.4	3.0	
Allied Colloids Group	Wednesday	0.644	1.897	
British Electric Traction	Thursday	1.863	5.709	
Cook (William) and Sons Sheffield	Thursday	0.525	0.7875	
Diamond Stylus (The)	Tuesday	0.2837	0.5947	
Dixons Photographic	Thursday	0.7575	2.09603	
Elliott (E.)	Monday	1.0	2.5	
Geller (A. and J.)	Thursday	1.4	2.1	
Group Investors	Tuesday	0.8	1.4	
G.T. Japan Investment Trust	Tuesday	2.0	5.0	
Howard Shuttering (Holdings)	Monday	0.54	1.0	
Letraset International	Wednesday	0.987	¶5.50318	
London and Montrose Investment Trust	Thursday	2.0	¶5.15	
Lyton Holdings	Tuesday	1.2	1.6	
Magnet and Southerns	Wednesday	1.73704	4.0	
Property Security Investment Trust	Friday	0.5	1.1	
Provincial Cities Trust	Thursday	0.84	‖1.14	
Raybeck	Friday	1.131	2.87	
Restmor Group	Monday	0.28	2.72	
Saville (J.) Gordon Group	Thursday	0.5	1.94	
Smith (David S.) Holdings	Friday	2.0	2.75	
Stock Conversion and Invest. Trust	Wednesday	1.34	2.625	
Tate and Lyle	Wednesday	2.5	¶4.0	
Wellman Engineering Corporation	Tuesday	1.265	1.41	
Western Board Mills	Wednesday	1.4	3.0	
INTERIM FIGURES				
Gnome Photographic Products	Wednesday			
Murray Northern Investment Trust	Monday			

* Dividends shown net pence per share and adjusted for any intervening scrip issue. † Includes compensating dividend due to change in tax rate. ‡ Includes non-recurring dividend. ¶ Second interim. ‖ Includes second interim.

Vita-Tex soars to £757,000

TAXABLE PROFITS of Vita-Tex, manufacturer of warp knitted fabrics, were more than doubled from £351,000 to £757,000 in the six months to October 31, 1979, and turnover went ahead from £4.04m to £5.97m.

However the directors warn that while trading continues to be satisfactory, the first half result should not be taken as an indication of the likely outcome for the full year, bearing in mind the general economic outlook.

In view of the current offer from the British Vita Company, the directors do not intend to pay an interim dividend. Last year, payments totalled 4.6p on pre-tax profits for the year of £803,000 (£507,000).

Sales to the automotive industry have been maintained at a good level, say the directors, and there has been a most encouraging increase in sales and margins of household textiles and clothing.

Tax for the six months takes £250,000 (£75,000).

Lidstone is creditor of meat trader

LIDSTONE, the publicly quoted butchers and property group, is one of the unsecured creditors of Gilmore and Partners, the private Smithfield meat trader which has gone into creditors' voluntary liquidation.

Mr. Gerald Stitcher, chairman and chief executive of Lidstone, is also chairman of Gilmore, whose affairs are to be examined by the City of London Police Fraud Squad.

A statement from Lidstone issued yesterday said that provisional arrangements were being made to protect Lidstone from any loss should its debt prove irrecoverable.

In any case, the board says that Lidstone continues to trade profitably and is not experiencing any financial difficulties. Net assets per share for the year ending July 21 last amounted to 222p.

BIDS AND DEALS

Tricoville/Jeeves offer details

FASHIONWEAR manufacturer Tricoville details in an offer document issued yesterday its agreed £695,000 cash bid for clothes care company Jeeves of Belgravia.

Under the terms of the acquisition, Tricoville will also pay £80,000 cash for 10 per cent of the issued share capital of Jeeves of Belgravia International.

Jeeves International holds franchising rights to the Jeeves marque outside the UK, and will grant Jeeves of Belgravia 99-year excusive rights to operate in Western Europe. Both transactions are with effect from November 1, 1979, and are conditional on approval by Tricoville at an extraordinary general meeting scheduled for January 28.

The oBard of Tricoville, which controls 63.6 per cent of the company's ordinary shares, will vote in favour of the acquisition.

The deal also contains provisions relating to the British Clothing Care Company, which is registered in New York and has a 99-year franchise on the Jeeves marque in the U.S. BCCC is jointly owned by Jeeves International and Neil and Spencer Holdings. Jeeves International has an option to purchase a further 20 per cent of BCC from N and S, contingent on BCCC repaying a $400,000 loan to N and S by July 1984.

If Jeeves International becomes entitled to purchase the 20 per cent share in BCCC, it will offer half that shareholding for sale to Jeeves of Belgravia at a price between $30,000 and $50,000.

Plum Projects, a company established by Mr. Sydney Jacob, the founder of the Jeeves group, is contracted to provide consultancy services to Jeeves of Belgravia for 25 years. Mr. Jacob will guarantee to provide the services in person for four years, and Jeeves may terminate the contract at any time in the even of his death or incapacity.

Jeeves of Belgravia has net tangible assets of £180,000, and made a pre-tax profit for the six months to October 1979 of £96,000. It operates four shops in London. Tricoville intends that Jeeves open a further two in the UK and two more in Western Europe over the next five years.

SHARE STAKES

Five Oaks Investments — J. N. Peutherer, junior, director, has disposed of 100,000 shares at 7p leaving holding 983,843 shares (23.65%). E. C. Marsland, director, has acquired 100,000 shares at 7p.

Habit Precision Engineering — The holding of the International Investment Trust has been increased from 3.06% to 11.935% with a purchase of 260,000 ordinary shares.

Rowntree Mackintosh — Trustees of the Joseph Rowntree Memorial Trust have disposed of 50,000 ordinary and are now interested in 7,724,996 shares (7.15 per cent).

A. and J. Mucklow Group — A. J. Mucklow, director, has acquired a beneficial interest in 50,000 shares, making holding 2,471,098 (9.549 per cent).

London and Scottish Marine Oil Company — C. M. Dalley, director, holds 30,000 ordinary.

Mainline Electronic — In addition to the holding already reported, Antony Gibbs are entitled to 1,466,666 preferred shares and 533,334 ordinary shares under a letter of allotment.

Gibbs and Dandy—Smith and Sons (London) has acquired interest in 95,250 shares (5.74 per cent).

English and Overseas Investments — Mr. L. Sandelson has acquired beneficially 35,000 ordinary making holding 1,035,000 shares (10.05 per cent).

Armitage Shanks Group—Ceramics Investments has acquired further 325,000 shares making holding 6,657,500 (21.14 per cent).

TURISMO/FAGS

Turismo e Inmobiliaria Bio-Bio now holds or has acceptances amounting to 75.6 per cent of the voting rights of Antofagasta (Chile) and Bolivia Railway. The offer is now closed.

GUARDION ROYAL HAS 90% OF MIDWESTERN

Guardian Royal Exchange Assurance has now acquired, through its wholly owned U.S. subsidiary, Albany-Atlas Group, about 90 per cent of the common shares in Midwestern Fidelity Corporation—a fire and accident insurance group based in Milford, Ohio.

This is the result of GRE's formal offer made on December 20, 1979 for the whole of the common shares of Midwestern at U.S.$27 per share. Midwestern writes business in Ohio, Indiana and Kentucky with a net premium income in 1978 of U.S.$46m. This acquisition doubles GRE's annual premium in the U.S. to over U.S.$100m.

Sunlight expands linen hire side with Parker purchase

Sunlight Service Group, laundry and dry cleaning company, has extended its interests in linen hire by acquiring the whole of the issued capital of Hubert Parker (Interests) and three of its subsidiaries.

A consideration of £502,000 is payable in cash and £440,000 is to be paid on completion — the balance being deferred for one year.

The directors of Sunlight are confident that the acquisition will be beneficial to group's activities.

Assets being acquired had a book value at September 30, 1979 of £502,000, including inter-group indebtedness which has subsequently been fully converted into cash amounting to £290,000.

Profits, excluding any interest on inter-group indebtedness, for year to September 30, 1979, amounted to some £40,000.

TULLIS RUSSELL BUYS BRITTAINS OFFSHOOT

The assets of Brittains Converters, previously a member of the Brittains Group, which is in receivership, have been purchased by Tullis Russell and Company, the Scottish papermakers.

Brittains Hanley factory becomes a subsidiary company of Tulliss Russell and will commence trading on Monday as Brittains (TR).

ALLIED COLLOIDS ACQUISITION

As the base for expansion into agriculture, Allied Colloids has acquired Interlates of Skelmersdale, Lancashire, the leading supplied of trace elements in the UK for agriculture and horticulture.

GEO. BASSETT

Having recently completed construction of a warehouse at Enfield, Middlesex, G. D. S. Transport, a subsidiary of Geo. Bassett Holdings, has entered into a sale and leaseback agreement with an institutional investor in which G.D.S. receives £1.5m in cash.

It simultaneously enters into a lease, for a total of 25 years, at a rental for the first five years of £113,550 per annum.

Net book value of the warehouse as at December 21, 1979, was £1.23m.

The sum realised will be applied to the reduction of the group's borowings.

Mallinson-Denny £1.5m deal

Mallinson-Deny is to acquire Keith Young (Insulation Supplies) for £1.5m to be satisfied by £750,000 cash and 1,666,667 Ordinary shares in Mallinson-Denny.

The purchase consideration is based on a warranted pre-tax profit of £480,000 for the year to August 31, 1980.

APPLEYARD

Negotiations have begun between the Appleyard Group of Companies and the Rocar Group with a view to the sale to Rocar of the business of Appleyard of Huddersfield, and its related property.

Rocar and Appleyard are both distributors for BL in Huddersfield. The proposal is in accordance with the franchise rationalisation programme of BL Cars, and has their full approval.

LOUIS EDWARDS

Shareholders of Louis C. Edwards and Sons (Manchester) have been sent details of Cordon Bleu Freezer-Food Centres and Farniss and Co., together with notice of an EGM for January 28 to approve the acquisition of Cordon Bleu.

It is expected that dealings in Louis Edwards shares, which were suspended on November 26, 1979 when the proposed acquisitions were announced, will recommence on January 29.

SUMMARY OF THE WEEK'S COMPANY NEWS

Take-over bids and deals

C. T. Bowring, the financial group, has been asked to consider a £245m takeover bid from **Marsh and McLennan** of New York, the world's largest insurance broker. The intimated bid, half cash, half shares, which values each Bowring share at approximately 170p, will go ahead providing Bowring does not seek to frustrate the offer. However, the Office of Fair Trading, with its powers to refer the bid to the Monopolies Commission, has started preliminary investigations into the situation. Lloyd's of London has been considering ways in which it can modify its ruling limiting insurance interests outside its market to holding only 20 per cent of an approved Lloyd's insurance broker. As it stands, the rule could frustrate Marsh and McLennan. Lloyd's will not come to a decision until a report prepared by Sir Henry Fisher is published in April.

Globe Investment Trust made an agreed £14m bid for **West of England Trust** which controls the Tyndall group of unit trusts. The terms of the offer are £9 of Globe 11¼ per cent convertible unsecured loan stock 1990-95 for every ten West of England shares. Globe already has 58 per cent irrevocable acceptances. At par value for the loan stock, West of England's shares are valued at 90p. The shares stood at 76p ahead of the announcement.

Rothschild Investment Trust, through its recently acquired subsidiary, Hume Holdings and other associates, has bought an 18 per cent stake in **Carliol Investment Trust** and just under 14 per cent of **Tyneside Investment Trust**. RIT has informed the Boards of both companies that it wishes to discuss unitisation proposals.

Company bid for	Value of bid per share**	Market price**	Price before bid	Value of bid £m's**	Bidder	Final Acc't'ce date
Prices in pence unless otherwise indicated.						
Cableform	90*	89	72‡†	4.33	Tricentrol	15/1
Dawnay Day	60*	59	47	16.6	Hume Hldgs.	—
EMI¶¶	140	123	95	155.6	Thorn Elect.	—
Empire Plants.	24*	24½	19½	0.80	Caparo Invs.	—
FPA Const.¶¶	13	15	18	1.03	Heywood Williams	—
Highland Distills.	130*	142	102	79.83	Hiram Walker-Gooderham	18/1
Nationwide Leisure	6*§	7	9	0.66	Rantlodge	—
Scottish Homes	48*	45	43	3.36	Barratt Dev.	4/2
Shakespeare (J.)	30§§	24	15½	2.33	Wheway Watson	—
Vita Tex	120†*	122	71	4.03	British Vita	—
Wallis Fashion	35*	33	38	2.50	Sears Hldgs.	—
West of England Trust	90	88½	76††	14.4	Globe Invest. Trust	—

* All cash offer. † Cash alternative. ‡ Partial bid. § For capital not already held. ¶ Combined market capitalisation. ‖ Date on which scheme is expected to become operative. ** Based on 11/1/80. †† At suspension. ‡‡ Estimated. §§ Shares and cash. ¶¶ Unconditional.

PRELIMINARY RESULTS

Company	Year to	Pre-tax profit (£000)		Earnings* per share (p)		Dividends* per share (p)	
Bond St. Fabrics	Sept.	84L	(451)	—	(8.2)	—	(2.9)
Camford Engng.	Sept.	2,549	(2,252)	15.9	(14.6)	4.47	(3.99)
Eng. China Clays	Sept.	33,120	(24,480)	14.9	(10.7)	5.0	(3.97)
First Nat. Finance	Oct.	21,630	(17,860)	16.5	(14.4)	—	(—)
Hickson & Welch	Sept.	8,060	(8,120)	39.0	(38.0)	7.5	(3.56)
McCorquodale	Sept.	4,634	(4,123)	24.6	(19.8)	7.57	(6.35)
Pleasurama	Sept.	3,220	(1,980)	21.5	(14.0)	4.83	(2.4)
Sotheby Parke	Aug.	8,230	(7,020)	39.4	(33.3)	11.5	(9.0)
Westland Aircraft	Sept.	15,266	(2,859)L	20.7	(—)	4.0	(1.0)

INTERIM STATEMENTS

Company	Half-year to	Pre-tax profit (£000)		Interim dividends* per share (p)	
Avenue Close	Sept.	282	(258)	—	(—)
Boardman (K. O.)	Sept.	126	(78)L	0.1	(0.4)
Black (Peter)	Oct.	1,320	(1,180)	1.47	(1.33)
Brown & Tawse	Sept.	2,075	(2,033)	1.4	(1.3)
Centreway	Sept.	777	(749)	4.0	(3.37)
Esperanza	Sept.	1,400	(1,740)	2.5	(2.2)
Halma	Sept.	607	(510)	0.52	(0.4)
Hogg Robinson	Sept.	2,730	(3,365)	3.0	(2.7)
Hollas Group	Sept.	761	(561)	2.0	(0.98)
Imry Property	Sept.	578	(279)	2.5	(1.2)
Melody Mills	Sept.	230	(310)	1.0	(—)
NMC Inv.	Sept.	123	(102)	—	(—)
Ratners	Oct.	684	(535)	0.67	(0.56)
RFD Group	Sept.	813	(557)	0.8	(0.7)
Somportex	Oct.	226	(129)	—	(—)
Stead & Simpson	Sept.	1,970	(1,470)	1.0	(0.7)
Symonds Engng.	Sept.	101	(95)	0.23	(0.21)
Waddington (J.)	Oct.	418L	(1,650)	5.22	(5.0)

(Figures in parentheses are for corresponding period.)
Dividends shown net except where otherwise stated.
* Adjusted for any intervening scrip issue. L Loss.

EUROPEAN OPTIONS EXCHANGE

Series		Jan. Vol.	Jan. Last	April Vol.	April Last	July Vol.	July Last	Stock
AKZ C	F.22.50	—	—	12	3	—	—	F.24.80
AKZ C	F.25	5	0.30	25	1.80	55	2.10	"
AKZ C	F.27.50	—	—	2	0.70	13	1.20	"
AKZ C	F.30	—	—	—	—	6	0.70	"
AKZ P	F.22.50	—	—	15	0.60	—	—	"
AKZ P	F.27.50	5	2.90	20	3	—	—	"
AKZ P	F.30	—	—	5	5.70	3	5.80	"
ARB C	F.70	—	—	4	0.80	—	—	F.65.10
CSF C	F.440	—	—	—	—	1	64	F.492
CSF C	F.480	—	—	3	29	—	—	"
EK C	$45	70	2¾	—	—	—	—	$47⅞
HO C	F20	—	—	—	—	2	5.10	F.24.80
HO C	F.22.50	2	1.80	14	2.30	52	3.10	"
HO C	F.25	—	—	30	0.90	15	1.70	"
IBM C	$65	105	3½	—	—	5	7½	$68¼
IBM C	$70	20	⅝	10	3½	—	—	"
IBM C	$75	—	—	5	1½	—	—	"
KLM C	F.70	25	3.30	30	5.90	44	7.90	F.75
KLM C	F.80	8	0.10	32	2	16	4	"
KLM C	F.90	—	—	13	0.70	6	1.60	"
KLM P	F.70	19	0.40	51	3.50	14	4.50	"
KLM P	F.80	20	7.50	—	—	—	—	"
KLM P	F.90	27	16.50	—	—	—	—	"
KLM P	F.100	3	27	—	—	—	—	"
NN C	F.110	2	11.60	—	—	—	—	F.121.10
NN C	F.115	13	6.10	—	—	—	—	"
NN C	F.120	55	1.50	—	—	5	7.50	"
NN C	F.125	—	—	12	3.30	—	—	"
PET C	Fr.4200	2	1400	—	—	—	—	Fr.5660
PET C	Fr.4800	2	800	—	—	—	—	"
PET C	Fr.5500	10	170	2	490	—	—	"
PET C	Fr.6000	—	—	1	230	—	—	"
PHI C	F.20	—	—	143	190	117	2.20	F.20.80
PHI C	F.22.50	—	—	113	0.60	70	1	"
PHI C	F.25	—	—	57	0.30	—	—	"
PHI P	F.20	—	—	—	—	40	0.50	"
PHI P	F.22.50	8	1.70	—	—	—	—	"
PHI P	F.25	—	—	20	4.10	—	—	"
PSA C	F.260	—	—	—	—	1	50	F.271
RD C	F.145	55	2.20	49	7.50	1	9	F.146.10
RD C	F.150	58	0.20	83	4.90	19	6.70	"
RD C	F.160	10	0.10	85	1.70	34	2.90	"
RD P	F.140	—	—	25	1.60	—	—	"
RD P	F.145	96	0.60	—	—	—	—	"
RD P	F.150	8	3.80	3	5	—	—	"
RD P	F.160	12	13.80	87	13.80	—	—	"
UNI C	F.115	—	—	3	7	—	—	F.117.80
UNI C	F.120	16	0.40	15	4.60	—	—	"
UNI C	F.125	—	—	5	1.50	—	—	"
XRX C	$60	53	4⅛	—	—	—	—	$64¼
		Feb.		May		Aug.		
BA C	$45	7	12⅞	—	—	—	—	$57¾
BA C	$50	2	8	—	—	—	—	"
BA C	$60	—	—	3	4⅛	3	5⅞	"
SLB C	$80	2	17	—	—	—	—	$96¾
SLB C	$100	5	2½	—	—	—	—	"
		March		June		Sept.		
GM C	$50	5	6¼	—	—	—	—	$54¾
GM C	$60	10	½	10	1¾	—	—	"

TOTAL VOLUME IN CONTRACTS 2247

C=Call P=Put

NEW LIFE BUSINESS

Unit-linked record by Abbey Life

BY ERIC SHORT

REGULAR premium unit-linked life and pensions business broke all records in 1979 if the results achieved by Abbey Life are a reflection of the industry. The company, one of the major unit-linked life companies, say new annual premiums last year jumped by 53 per cent from £23.5m to £36m and single premiums rise by 60 per cent from £36.3m to £58m.

New annual premium life business in 1979 were two and a-half times higher than the previous year—£18.3m compared with £7m. The growth occured across the range of regular savings plans, with marketing from direct sales staff playing a major part in this increase.

Annual premium pensions business was also higher last year; overall up by 7 per cent from £16.5m to £17.7m. However this growth came entirely from executive pensions scheme business which recorded a 19 per cent rise in premiums to £11m. Self-employed pensions last year declined 9 per cent to £6.7m.

The growth in single premium business last year came entirely from sales of guaranteed bonds—income and growth. In a year that was favourable because of the high level of interest rates, sales more than tripled from £9.8m to £35.5m. But this is a very volatile market.

Unit linked bond sales fell on the year by nearly 15 per cent from £26.5m to £22.6m. About three-quarters of new money went into the property fund, the largest property fund among the linked companies, the rest being spread among the other funds.

Total premium income last year in the UK only, reached £154m in 1979, against £107m in 1978. Of this amount, £98m represented annual premium contracts and £58m single premium.

CROWN LIFE

The Crown Life Group of Companies (UK), the UK life and pensions subsidiary of the Canadian based Crown Life Insurance Company, also had a successful year in 1979 for linked life business. The company, which entered the linked market in April, 1978, received linked-life annual premiums of £4.75m in 1979, against £689,000 in 1978.

Linked single premiums last year doubled from £1.06m to £2.3m. The company's distribution fund — a mixed fund designde to pay out 5 per cent per annum under the withdrawal facility, was most popular with investors.

Overall the group's annual premium business tripled in 1979 from £3.3m to £9.6m. Group pensions annual premiums remained unchanged at £1.85m, but annual premiums on the permanent health side tripled from £840,000 to £3m. The company markets a competitive short-term sickness scheme.

Total single premiums last year amounted to £13.5m, against £2m in 1978. Besides the growth in linked-life business, the company was extremely successful in marketing five-year maximum income bonds seling over £11m last year.

Provident Mutual has wide success

SUCCESSFUL NEW business in 1979 in many of its areas of operation is reported by the **Provident Mutual Life Assurance Society**, with new annual premiums received by the parent company rising 13 per cent from £19.5m to £22m and single premiums advancing 20 per cent from £8.2m to £9.9m.

Annual premiums on individual business rose nearly 20 per cent from £9.7m to £11.6m. Executive pensions business was 20 per cent higher, while self-employed pensions premiums increased 13 per cent, in contrast to many other life companies.

Sales of savings policies maintained the high level reached in 1978, but business connected with mortgages were lower.

Group pensions annual premiums also improved last year by 6 per cent from £9.8m to £10.4m, thereby holding the gains made in the previous year.

Individual single premium business advanced by over 50 per cent in 1979 from £5.6m to £8.8m, thanks to the successful marketing of the company's 10-year income bond. Yet group pension single premium halved from £2.6m to £1.1m.

New annual premiums received by the managed fund subsidiary, **Provident Mutual Pension Funds**, with new annual premiums improving by over 50 per cent from £1.9m to £2.95m and single premiums doubling from £4.4m to £8.1m. But most of these premiums came from transfers from the parent company.

The funds managed by the subsidiary reached £25m in 1979; the third year running that funds under management have doubled.

NATIONAL MUTUAL LIFE ASSURANCE

An all-time record level of new life business was achieved in 1979 by the National Mutual Life Assurance Society, thereby maintaining its growth trend over the past three years. New annual premiums advanced by 12.8 per cent from £4.85m to £5.47m and new sums assured improved by 16 per cent from £119m to £138m.

Assurance business was even more buoyant last year, with new annual premiums rising 20 per cent from £2.88m to £3.46m. Almost half this business came from sales of mortgage-related contracts, which remained firm, aided by the company's involvement in the top-up mortgage market.

Single premium business, however, declined by more than 20 per cent from £2.55m to £1.95m, the fall coming entirely from a reduction in sales of income bonds due to a temporary withdrawal of the contract. Sales have subsequently revived.

It was a successful year for the company's executive pension contract, with annual premiums rising by nearly 40 per cent and single premiums more than doubling. The self-employed pensions market was patchy, with annual premiums down by 5 per cent and single premiums 13 per cent higher.

MINISTER INSURANCE

Strong growth in new ordinary life business last year is reported by the **Minister Insurance Company**, with new annual premiums almost doubling from £189,000 to £364,000.

The main contribution came from sales of endowment assurances connected with mortgage repayment and was boosted by the company's involvement in the top-up mortgage market.

Single premiums amounted to £665,000, against £7,000, much of this business being reassurance of income bonds. New sums assured rose by over 60 per cent from £23.2m to £37.4m.

CORAL INDEX: Close 432-437 (+5)

INSURANCE BASE RATES

† Property Growth	15¼%
† Vanbrugh Guaranteed	14¼%

† Address shown under Insurance and Property Table.

Sidlaw shows second half upturn

RECOVERING FROM a first-half severely affected by the road haulage strike and bad winter, pre-tax profits of **Sidlaw Industries** were 13 per cent lower at £878,000 in the year to September 28, 1979, against £1.01m.

Profits for the first six months were more than halved at £122,000 (£260,000), but the second-half surplus was slightly higher at £756,000 (£753,000).

At the trading level, profits for the year slipped £208,000 to £1.27m before interest charges of £792,000 (£623,000). Turnover went ahead from £38.69m to £40.05m.

The majoir oil services division returned trading profits of £1.05m, only slightly short of last year, state the directors, in spite of the continued low level of exploration activity in the North Sea. Prospects for the current year are excellent, they add.

The strength of sterling, which not only put pressure on exports but also had the effect of increasing carpet imports from the U.S., resulted in another difficult year for the textiles division, where there were over 300 redundancies and trading protfis were virtually static at £309,000.

The hardware division showed a trading loss of £91,000, and the company's investments in it have been sold.

The dividend is maintained at 6.7217p with a final of 5.2217p.

There is a higher tax charge of £189,000 (£97,000) and, after an extraordinary debit of £258,000 (£61,000), most of which relates to terminal costs of the hardware division, and dividends, £64,000 is retained compared to £488,000. Stated earnings per 50p share are 12.61p (16.76p).

	1979 £000	1978 £000
Turnover	40,050	38,687
Trading profit	1,272	1,480
Interest	792	623
Associates	398	156
Profit before tax	878	1,013
Tax	189	97
Extraord. debit	258	61
Attributable	431	855
Dividends	367	367
Retained	64	488

● **comment**

A stronger second half led to a recovery at Sidlaw, although a higher interest charge has left the year's pre-tax profits down by 13 per cent. This has been achieved despite continuing losses from hardwear and unrelenting difficulties in the textile division, which is now contributing only a third of the profits it did in 1975. Hence the rationalisation. The laurels go to the two remaining activities — oil services/engineering, now the company's most important profits source, and associates, where the contribution is significantly higher, thanks to Skean Dhu's second hotel. The North Sea interests should now be able to resume a growth pattern although the redundance and closure costs will provide a short-term setback to profits. The shares, at 80p, up 3p, sell on a p/e of 5.9 (stated earnings) while the yield is 12.8 per cent.

Framlington to manage life funds of AMEV

AMEV Life Assurance, the UK linked-life subsidiary of the Dutch insurance conglomerate AMEV, has entered into an agreement with Framlington Unit Management for the latter to take over the investment management of the company's various life funds—managed, equity, fixed-interest, managed pension, flexifunds and money funds.

Framlington is one of the most consistently successful of group's in managing UK unit trusts. It already has a tie up with AMEV in that two of AMEV's savings plans invest in various Framlington units.

Framlington's most successful unit trust, the Capital Fund, is already tied into the regular savings plan of another life company British National Life, and it at present tops the 10-year performance tables for linked life regular savings plans.

The AMEV Investment Bond and Tenvest regular savings plan are now being linked to the Capital trust.

The AMEV Property Fund will still continue to be managed by Debenham, Tewson and Chinnocks, with Drivers Jonas as independent valuers.

Centreway Trust at £0.22m so far

Following its change of accounting date to March 31, **Centreway Trust**, formerly George Whitehouse (Engineering), reports per-tax profits of £217,000 for the six months to September 30, 1979, on turnover of £1.87m.

For the previous nine months period, taxable profits amounted to £283,000 on turnover of £10.63m, which included £7.7m relating to the vehicle distribution business since disposed of.

The results include £230,000 (£224,000 for nine months) in respect of the company's 29.6 per cent holding in Centreway.

The directors do not regard it as practical to make a precise forecast of the likely full year outcome, although some progress over the previous nine months result is expected.

The group's two engineering subsidiaries were affected by the engineers' strike, which resulted in production at Peterborough Die Casting being severely curtailed and the future viability of the plant being in doubt for a period.

Both subsidiaries have returned to normal working, but prospects for the second six months are clouded by the current steel workers' strike, the directors state.

A scrip issue of preference shares to ordinary holders is proposed on the basis of one 11 per cent net cumulative preference share for every three ordinary held.

Earnings per 50p share, based on the actual tax charge, are stated as 13.1p (18.81p for nine months) or as 12.3p (same) fully taxed. The net interim dividend is 2p per share, compared with 0.76p previously which was followed by a final of 7.24p for the period.

Trading profits for the half year were split between: cold rolled sections £86,000 (£76,000 for nine months), aluminium pressure die casting £73,000 loss (£22,000 profit) and vehicle distribution nil (£51,000).

RAND LONDON

In the proposed rights issue of units in Rand London Coal, a wholly-owned subsidiary of Rand London Corporation, it is intended to offer units which comprise in aggregate 5.7m cumulative participating preference shares (38 per cent of the class) together with 2.8m ordinary shares (22 per cent of the class) of RL Coal to Rand London holders.

Robert Lowe

A reduction in pre-tax profits from £497,660 to £423,154 is reported by clothing manufacture **Robert H. Lowe and Co.** for the 53 weeks to November 2, 1979.

At the interim stage, when there were profits of £231,471 (£216,002), the directors predicted that increased operating costs would result in tighter margins and reduced profitability.

A final of 1.5125p maintains the dividend, after adjustment for a one-for-one scrip issue, at 2.1775p.

OIL AND GAS NEWS

Hibernia oil find is commercial

BY ROBERT GIBBENS IN MONTREAL

CHEVRON STANDARD, a unit of Standard Oil of California, has confirmed for the first time that the Hibernia P-15 oil discovery well nearly 200 miles offshore St. John's, Newfoundland, is commercial in scale.

Chevron identified three principal zones of oil accumulation (with some gas) capable of producing at a rate of 20,000 barrels daily.

Additional wells will have to be drilled to prove the extent of the field and whether the heavy investment required for exploitation would be justified.

The first step-out well, Hibernia P-35, three miles west of Hibernia P-15, commenced on New Year's Day. The cost of drilling the discovery well and testing was between C$40m and C$50m (£15m to £19m).

Chevron is the operator of the venture for a group which includes Mobil Canada, Petro-Canada, Gulf Canada and Columbia Gas Development Canada. The Hibernia reservoir is about 11,500 feet below the surface of the Atlantic.

A second step-out well will be started in February, and Mobil Canada is taking over management of the Hibernia exploration programme under an agreement signed earlier.

Mobil will sink another well about 25 miles south-east of Hibernia on a separate. Target depth is 16,500 feet against 16,000 feet for Hibernia. The proposed well is located near the 200-mile limit. Water depth is about 200 feet.

A fixed platform production system now used extensively in the North Sea is being investigated for Hibernia, and also a floating gathering system.

The cost of developing the field and gathering system would run into several billion dollars. Minimum recoverable reserves will have to be well over 1bn barrels. The high-quality crude could be used in Maritimes Refineries which now import all their supplies. Earliest production could be 1982-83.

* * *

The oil and gas exploration arm of **Diamond Shamrock Corporation** has discovered natural gas on Vermillion Block 57 in the Gulf of Mexico.

The discovery well flowed at a rate of 12m cu ft of gas daily and has an open flow potential of 43m cu ft per day according to Diamond Shamrock.

The latter, as operator, has a 25 per cent interest in the well, along with Kerr McGee Corporation, while Sante Fe Energy holds the remaining 50 per cent.

* * *

The international hunt for oil will resume in New Zealand this year following an agreement between three major international oil companies and PetroCorp — the New Zealand Government backed oil consortium, reports **Dai Hayward** from Wellington.

The agreement followed extensive bargaining between New Zealand Government representatives, the Shell-BP-Todd consortium and PetroCorp.

A rig will be brought to New Zealand to drill three holes north of the present Maui National Gas offshore field.

A spokesman for Shell said work for the $NZ 40m (£17.7m) project should start by mid-year. Geologists were said to be optimistic about the project.

* * *

May Petroleum says it has discovered natural gas on the S. W. Niles prospect in Canadian County, Oklahoma.

The Hubbard No. 1 well flowed at a daily rate of 2.35m cubic feet of gas at depths at 12,234 to 12,244 feet in the Morrow-Springer formation.

The May drilling partnerships own 50 per cent working interests in the well and 533 acres in the S. W. Niles prospect. Other working interests owners are individuals and private corporations, according to May.

* * *

Chinese geologists have reported a new oil discovery north of the Yangtze River in the northern part of Eastern Jiangsu Provinces, according to the New China News Agency.

The agency said that large oil and natural gas flows had been found in the vicinity of the new well since 1970 and prospecting was still going on.

The oil flow from the new well at Zhentong indicated good production prospects, the Agency added.

Grange Trust rises to £0.62m

FOR THE YEAR to November 30, 1979 pre-tax revenue of Grange Trust turned in £177,383 higher at £617,206.

Tax for the period absorbed £205,707 (£155,820), leaving the net balance ahead from £284,003 to £411,499. Earnings per 25p stock unit are shown to have risen from 2.81p to 4.13p, including 0.7p non-recurring, and the total dividend is raised from 2.4p to 3.2p, with a final payment of 2.25p net.

The net asset value per stock at November 30, after deducting prior charges at par, was 103.9p (104p).

Titaghur Jute sees good Indian profit

The Indian operations of **Titaghur Jute Factory Company** will earn useful profits in the 1979/80 year, as already indicated, say the directors, referring to the recent rise in the company's share price.

During the first five months of the year to June 30, 1980, profits in India amount to over £2m, and they expect earnings in that region to continue in the remaining months.

The one uncertainty, they say, is the possibility of Indian Government intervention in the jute industry, as has happened in the past. However, the operations are bound to earn more in 1979/80 than has previously been possible.

The group has experienced a very heavy drain on its financial resources in the past few years, and the directors say it would be wrong for them at this stage to hold out any hope that ordinary dividends may be resumed because of one "very good year's profit."

The last dividend was paid in 1972. The group has reported losses every year since 1973, reaching £2m in 1976/77. This was cut to £1.26m the following year.

The directors hope the overall picture will be clearer by the time the accounts for 1978/79 are published, probably about the end of March.

BASE LENDING RATES

A.B.N. Bank	17 %	■ Hambros Bank	17 %
Allied Irish Bank	17 %	■ Hill Samuel	§17 %
Amro Bank	17 %	C. Hoare & Co.	†17 %
American Express Bk.	17 %	Hongkong & Shanghai	17 %
Henry Ansbacher	17 %	Industrial Bk. of Scot.	17½%
A P Bank Ltd.	17 %	Keyser Ullmann	17 %
■ Arbuthnot Latham	17 %	Knowsley & Co. Ltd.	18½%
Associates Cap. Corp.	17 %	Lloyds Bank	17 %
Banco de Bilbao	17 %	London Mercantile	17 %
Bank of Credit & Cmce.	17 %	Edward Manson & Co.	18 %
Bank of Cyprus	17 %	Midland Bank	17 %
Bank of N.S.W.	17 %	■ Samuel Montagu	17 %
Banque Belge Ltd.	17 %	■ Morgan Grenfell	17 %
Banque du Rhone et de la Tamise S.A.	17½%	National Westminster	17 %
Barclays Bank	17 %	Norwich General Trust	17 %
Bremar Holdings Ltd.	18 %	P. S. Refson & Co.	17 %
Brit. Bank of Mid. East	17 %	Rossminster	17 %
■ Brown Shipley	17 %	Ryl. Bk. Canada (Ldn.)	17 %
Canada Perm't Trust	17 %	Schlesinger Limited	17 %
Cayzer Ltd.	17 %	E. S. Schwab	17 %
Cedar Holdings	17 %	Security Trust Co. Ltd.	18 %
■ Charterhouse Japhet	17 %	Shenley Trust	19 %
Choulartons	17 %	Standard Chartered	17 %
C. E. Coates	17 %	Trade Dev. Bank	17 %
Consolidated Credits	17 %	Trustee Savings Bank	17 %
Corinthian Secs.	17 %	Twentieth Century Bk.	17 %
The Cyprus Popular Bk.	17 %	United Bank of Kuwait	17 %
Duncan Lawrie	17 %	Whiteaway Laidlaw	17½%
Eagil Trust	17 %	Williams & Glyn's	17 %
E. T. Trust Limited	17 %	Yorkshire Bank	17 %
First Nat. Fin. Corp.	18½%		
First Nat. Secs. Ltd.	18 %		
Robert Fraser	18 %		
■ Antony Gibbs	17 %		
Greyhound Guaranty	17 %		
Grindlays Bank	‡17 %		
■ Guinness Mahon	17 %		

■ Members of the Accepting Houses Committee.
* 7-day deposits 15%, 1-month deposits 15½%.
† 7-day deposits on sums of £10,000 and under 15%, up to £25,000 15¼% and over £25,000 15½%.
‡ Call deposits over £1,000 15%.
§ Demand deposits 15%.

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1979-80 High	Low	Company	Price	Change	Gross Div (p)	Yield %	P/E
99	73	Airsprung Ord.	74	—	6.7	9.0	4.4†
50	38	Armitage and Rhodes	38	—	3.8	10.0	2.5†
223	185	Bardon Hill	222	—	13.8	6.2	6.5†
101	63	Deborah Ord.	93	—	5.0	5.4	10.2
353	140	Deborah 17½% CULS	353	—	17.5	5.0	—
92	88	Frank Horsell	92	—	7.9	8.6	5.7
129	100	Frederick Parker	110	—	12.8	11.6	8.5†
156	106	George Blair	106	−2	16.5	15.6	—†
61	45	Jackson Group	60	—	5.2	8.7	3.5†
153	115	James Burrough	115	—	7.2	6.3	10.1
300	242	Robert Jenkins	250	—	31.3	12.5	8.0†
232	175	Torday Limited	222	—	14.3	6.4	5.8†
34	16½	Twinlock Ord.	20	+1	0.8	4.2	3.8†
80	70	Twinlock 12% ULS	76	—	12.0	15.8	—
56	23	Unilock Holdings	56	—	2.6	4.6	11.9
84	42	Walter Alexander	81	—	4.4	5.4	5.4
190	136	W. S. Yeates	184	—	11.5	6.3	7.1

† Accounts prepared under provisions of SSAP 15.

WORLD STOCK MARKETS

NEW YORK

[illegible]

Profit-taking on Wall St.

PROFIT-TAKING before the weekend checked a further advance on Wall Street yesterday, after the Stock Market extended its strong advance into a sixth session as prices earlier moved broadly higher in heavy trading.

After rising another 4.27 to 863.23, the Dow Jones Industrial Average partially reacted to 859.90 by 1 pm, for a net rise of 0.94 on the day and 31.06 higher on the week. The NYSE All Common Index, at $63.43, gained 18 cents on the day and $2.26 on the week. Advances led declines by a nine-to-five majority, while the trading volume expanded 3.59m shares to 38.3m compared with 1 pm yesterday.

Analysts said strong demand from cash laden Institutions implementing January reinvestment programmes and a pickup of Foreign interest in U.S. Equities was providing support.

A rise in Gold and Silver Bullion prices contributed to gains for Gold and Silver shares, while other Metals also advanced.

Takeover issues posted good gains as well.

Brokerage stocks were benefitting from the heavy trading volume on Wall Street all week.

Gold and Silver issues showed big gains as the price of Gold jumped $13 at the London fixing. Active Benguet Consolidated climbed 1\frac{3}{8}$ to 12\frac{1}{8}$. ASA rose 1\frac{3}{4}$ to $45, Dome Mines 1\frac{1}{4}$ to 55\frac{1}{4}$, Homestake $1 to 55\frac{1}{4}$ and Hecla Mining 1\frac{3}{4}$ to $44. Sunshine Mining also improved 1\frac{3}{4}$ to 35\frac{1}{4}$.

Rosario Resources, which is studying a $65 a share cash tender offer prosal from Hudson Bay Mining, jumped 7\frac{3}{8}$ to 66\frac{3}{8}$. Rosario had previously accepted a bid from Amax for stock. Hudson Bay added $$\frac{3}{8}$ at 25\frac{7}{8}$ and Amax $$\frac{1}{4}$ at $49.

Copper and Aluminium stocks showed gains of a $1, or more, while Steels added fractions. Active Inco rose 1\frac{1}{8}$ to 26\frac{3}{8}$.

Among Brokerage issues, active Merrill Lynch put on $$\frac{3}{8}$ to 21\frac{1}{4}$, E. F. Hutton 2\frac{1}{4}$ to 26\frac{3}{8}$, Shearson Loeb Rhoades 1\frac{1}{8}$ to 25\frac{1}{2}$ and Paine Webber $$\frac{1}{2}$ to 11\frac{3}{8}$.

Deere and Co. were active but slipped $$\frac{1}{4}$ to $35—a block of 1m shares traded at 34\frac{3}{4}$.

Wylain were lifted 1\frac{3}{4}$ to 28\frac{3}{8}$—it accepted an improved $30 a share tender proposal from Marley, which added $$\frac{3}{8}$ at 24\frac{3}{8}$.

THE AMERICAN SE Market Value Index gained 1.28 to 255.73, making a rise of 12.18 on the week in a turnover of 5.32m (3.66m) shares.

Mining shares were strong. Volume leader Marinduque "B" gained $$\frac{1}{16}$ to 2\frac{1}{16}$. Atlas Consolidated "B" $$\frac{3}{4}$ to 4\frac{1}{2}$, Day Mines 2\frac{3}{4}$ to 36\frac{3}{4}$ and Giant Yellowknife $$\frac{3}{4}$ to 17\frac{3}{8}$.

Raymond Industries advanced 1\frac{3}{8}$ to 26\frac{1}{2}$—it will exchange part of its stake in Teleco Oilfield Services for up to 333,333 of its shares. Teleco Oilfield lost 1\frac{1}{4}$ to $22 bid, Over-the-Counter.

> Closing prices for North America were not available for this edition.

Canada

A further broad front advance was recorded in active noon trading yesterday, when the Toronto Composite Index climbed 16.6 to 1,900.7 and 12 of 14 Indices posted gains.

The Gold Share Index moved up 73.8 to 2,807.3, Metals and Minerals 42.4 to 1,995.8 and Oil and Gas 11.2 to 3,816.5. Utilities put on 1.82 to 254.30. Banks 0.63 to 307.79 and Papers 0.70 to 176.43.

Hudson Bay Mining rose $$\frac{3}{4}$ to 30\frac{1}{4}$ — it plans an offer for Rosario Resources Corporation.

Among Golds, Dome Mines advanced $2 to $65, Giant Yellowknife 1\frac{1}{4}$ to 19\frac{3}{4}$, Campbell Red Lake $$\frac{1}{2}$ to 34\frac{1}{4}$ and Camflo Mines $$\frac{3}{8}$ to 20\frac{1}{4}$.

Base Metals continued upwards. Falconbridge Nickel "A" climbed 3\frac{1}{2}$ to $104, Inco 1\frac{1}{2}$ to 30\frac{3}{4}$ and Alcan Aluminium 1\frac{1}{4}$ to 64\frac{1}{4}$.

Among Real Estate issues, Cadillac Fairview improved $$\frac{3}{8}$ to 24\frac{3}{4}$, Nu-West Development "A" $$\frac{1}{4}$ to 14\frac{5}{8}$ and Daon Development $$\frac{1}{4}$ to 14\frac{3}{4}$.

Paris

French and Foreign shares were marked up across the board in a moderately active pre-weekend session. Market observers said investors had been encouraged by the good performance on Wall Street overnight. The fact that buying orders predominated despite a rise in the Call Money rate Friday to 12$\frac{1}{8}$ per cent from 11$\frac{7}{8}$ per cent underscored the firm undertone.

All French sectors were higher apart from some profit-taking in Metals following their firmness earlier this week.

Advances led declines 43-to-13 in the International section, where Americans, Germans, Gold Mines and Dutch issues were firm, Canadians steady and Oils and Coppers mixed.

Germany

Market observers attributed a general impression of a falling trend toward the end of the trading session to broad declines in certain key sectors, such as Banks and Stores, despite the fact that the overall Index posted a slight increase.

Among Stores, Neckermann eased DM 2.00, Karstadt slipped DM 1.56 and Kaufhof DM 1.20. Bayerische Vereinsbank, off DM 1.50, suffered the heaviest drop among Banks.

Chemicals and Motors were largely unchanged, while Electricals, Machines, Steels and Utilities were all fairly narrowly mixed.

Brown Boveri gave way DM 4.00 as the stock continued to be volatile in a narrow market.

Switzerland

On continuing large volume, Swiss stocks chalked up further gains, and many easily surpassed their previous psychological barriers.

Heavy Institutional buying for Bank shares and also more Foreign demand were mainly seen behind the trend, sparking other investors to go along.

However, unconfirmed reports that Egypt is blocking the Suez Canal for Russian ships provoked a new surge in Gold prices, which turned the market very nervous and tempered optimism somewhat.

Industrials closed actively higher.

In the Foreign sector, Dollar stocks traded generally above overnight New York closing levels. Dutch Internationals and Germans were neglected.

Domestic and Foreign Bonds firmed slightly, apart from Federal Bonds which eased.

Milan

Prices closed lower for the second straight day under pressure of technical sales triggered by the forthcoming Settlement day. Sales prevailed throughout in active trading and caused widespread losses.

Selling pressure was focused on Insurance and Bank issues, Italcementi and some "big" Industrials such as Fiat and Montedison.

Olivetti closed higher, against the trend — the company might distribute a dividend for 1979 and it also might launch soon a capital operation. Demand on Olivetti was also spurred by orders from abroad.

Brussels

Stocks closed higher in active trading, although foreign shares did somewhat better than local issues.

In the local list, Oil issues were the best traded stocks of the day, with Petrofina Frs 80 better at 5,660.

Utility shares and non-Ferrous Metals gained ground.

Steels were little changed. Chemicals and Holding Securities lost ground.

South African Gold Mines followed the uptrend of the yellow metal.

U.S. shares topped the higher Foreign list, Dutch, German and French stocks were better.

CANADA

[illegible]

BELGIUM (continued)

[illegible]

DENMARK

[illegible]

FRANCE

[illegible]

GERMANY

[illegible]

BELGIUM/LUXEMBOURG

[illegible]

HOLLAND

[illegible]

ITALY

[illegible]

NORWAY

[illegible]

SWEDEN

[illegible]

SWITZERLAND

[illegible]

AUSTRALIA

[illegible]

HONG KONG

[illegible]

JAPAN

[illegible]

JAPAN (continued)

[illegible]

SINGAPORE

[illegible]

SOUTH AFRICA

[illegible]

Financial Rand US0.91\frac{1}{4}$ (Discount of 25%)

BRAZIL

[illegible]

AUSTRIA

[illegible]

Indices

NEW YORK—DOW JONES

	Jan. 10	Jan. 9	Jan. 8	Jan. 7	Jan. 4	Jan. 3	1979-80 High	1979-80 Low	Since Compil'tn High	Since Compil'tn Low
◆Industr'ls	866.96	850.09	851.71	852.00	828.84	820.51	897.61 (5/10)	796.67 (7/11)	1051.70 (11/73)	41.22 (2/7/32)
H'me B'nds	74.00	74.01	73.84	73.62	73.76	73.76	86.10 (15/8)	73.35 (31/12)	—	—
Transport	256.94	253.85	253.17	250.15	251.31	247.22	271.77 (15/8)	205.78 (27/2)	278.88 (7/2/69)	12.23 (8/7/32)
Utilities	109.27	109.10	108.69	107.51	106.94	106.16	109.74 (17/12)	98.24 (24/10)	163.32 (20/4/69)	10.52 (28/4/42)
Trading Vol 000's	56,226	66,770	53,540	44,740	39,416	50,760	—	—	—	—

◆Day's high 866.72 low 848.89

Ind. div. yield %	Jan. 4	Dec. 28	Dec. 21	Year ago (approx)
	6.03	6.05	6.03	5.84

STANDARD AND POORS

	Jan. 10	Jan. 9	Jan. 8	Jan. 7	Jan. 4	Jan. 3	1979-80 High	1979-80 Low	Since Cmpil't'n High	Since Cmpil't'n Low
‡Indust'ls	125.31	122.30	122.24	119.65	118.32	117.81	124.49 (15/10)	107.08 (27/2)	134.64 (11/1/73)	3.52 (30/6/32)
§Composite	109.89	109.05	108.95	106.81	106.52	105.22	111.27 (5/10)	96.13 (27/2)	125.85 (11/1/73)	4.40 (1/6/32)

	Jan. 9	Jan. 2	Dec. 26	Year ago (approx)
Ind. div. yield %	5.22	5.38	5.27	4.91
Ind. P/E Ratio	7.78	7.54	7.67	8.93
Long Gov. Bond Yield	10.27	10.16	10.17	8.98

N.Y.S.E. ALL COMMON

Jan. 10	Jan. 9	Jan. 8	Jan. 7	1979-80 High	1979-80 Low
63.25	62.72	62.59	61.40	63.25 (10/1/80)	53.88 (27/5)

Rises and Falls	Jan. 10	Jan. 9	Jan. 8
Issues Traded	1,868	1,917	1,897
Rises	1,070	1,025	1,200
Falls	451	546	348
Unchanged	347	346	349
New Highs	136	169	104
New Lows	5	4	8

MONTREAL

	Jan. 10	Jan. 9	Jan. 8	Jan. 7	1979-80 High	1979-80 Low
Industrial	341.25	336.65	332.08	329.53	341.25 (10/1/80)	219.18 (2/1)
Combined	319.82	316.11	311.71	309.45	319.52 (10/1/80)	226.80 (2/1)
TORONTO Composite	1884.1	1854.0	1832.6	1814.1	1884.1 (10/1/80)	1316.8 (2/1)

	Jan. 11	Jan. 10	Jan. 9	Jan. 8	1979-80 High	1979-80 Low
AUSTRALIA						
Sydney All Ord. (1936/39)	788.13	777.79	769.38	764.29	788.13 (11/1/80)	545.72 (2/1/79)
Metals & Minls (1936/39)	4978.98	4681.56	4780.96	4711.70	4978.98 (11/1/80)	2587.54 (2/1/79)
AUSTRIA						
Credit Aktien (2/1/62)	68.91	68.99	68.68	68.85	69.40 (7/1/80)	61.53 (2/5)
BELGIUM						
Belgian SE (31/12/63)	102.54	102.10	102.50	102.16	109.47 (5/10)	98.80 (3/1/79)
DENMARK						
Copenhagen SE (1/1/73)	85.81	85.87	84.00	84.01	97.46 (25/7)	85.81 (11/1/80)
FRANCE						
CAC General (29/12/61)	104.2	103.7	104.5	(u)	115.1 (5/10)	82.4 (16/2)
Ind Tendance (28/12/79)	101.70	100.8	101.5	100.2	101.7 (11/1/80)	95.6 (3/1/80)
GERMANY						
FAZ-Aktien (31/12/58)	224.65	224.71	225.8	225.99	265.60 (16/1/79)	220.75 (3/1/80)
Commerzbank (Dec. 1953)	709.10	709.4	710.2	706.4	839.60 (16/1/79)	695.5 (3/1/80)
HOLLAND						
ANP-CBS General (1970)	84.9	84.4	84.8	85.6	94.2 (24/1/79)	82.7 (3/1/80)
ANP-CBS Indust. (1970)	68.20	68.0	68.2	67.1	85.9 (24/1/79)	65.7 (13/12)
HONG KONG						
Hang Seng Bank (31/7/64)	846.47	865.21	850.75	848.32	889.13 (2/1/80)	495.63 (2/1/79)
ITALY						
Banca Comm. Ital (1972)	87.09	88.03	87.79	86.80	95.85 (4/10)	66.38 (2/1/79)
JAPAN						
Dow Average (16/5/49)	6615.51	6594.01	6591.83	6565.28	6615.51 (11/1/80)	5925.87 (10/4)
Tokyo New SE (4/1/68)	462.71	460.56	459.92	458.14	465.24 (28/9)	435.16 (15/7)
NORWAY						
Oslo SE (1/1/72)	140.33	154.78	133.74	135.18	142.22 (13/12)	74.46 (16/1)
SINGAPORE						
Straits Times (1966)	459.17	440.15	439.73	438.22	440.15 (10/1/80)	346.54 (23/2)
SOUTH AFRICA						
Gold (1958)	—	(u)	605.7	518.0	540.3 (2/1/80)	228.40 (17/4)
Industrial (1958)	—	(u)	469.2	467.4	469.2 (9/1/80)	270.50 (2/1/79)
SPAIN						
Madrid SE (28/12/79)	99.67	99.56	99.47	99.51	100.75 (2/1/80)	99.47 (9/1/80)
SWEDEN						
Jacobson & P. (1/1/58)	342.33	345.99	343.75	345.46	401.34 (6/2)	331.57 (24/9)
SWITZERLAND						
Swiss Bank Cp. (31/12/58)	310.40	307.2	306.8	301.5	329.18 (2/5)	294.08 (5/1/79)

Base values of all Indices are 100 except NYSE All Common—50; Standard and Poors—10; and Toronto—1,000; the last named based on 1975. † Excluding bonds. ‡ 400 Industrials. § 400 Industrials plus 40 Utilities, 40 Financials and 20 Transports. c Closed. u Unavailable.

NEW YORK ACTIVE STOCKS

Thursday	Stocks traded	Closing price	Change on day		Stocks traded	Closing price	Change on day
Banquet	831,100	10$\frac{1}{2}$	+1$\frac{1}{4}$	IBM	529,500	67$\frac{1}{2}$	+1$\frac{1}{4}$
Williams Cos.	667,000	32$\frac{7}{8}$	+2$\frac{1}{8}$	Dmnd. Shamrock	514,900	32$\frac{7}{8}$	+2$\frac{1}{8}$
Doero	559,000	35$\frac{3}{4}$	−$\frac{3}{4}$	Exxon	471,800	52$\frac{1}{8}$	−$\frac{1}{8}$
Evans Products	541,800	22$\frac{1}{8}$	−$\frac{1}{4}$	Wstrn. Air Lines	457,600	11	—
Sears Roebuck	533,300	17$\frac{7}{8}$	−$\frac{1}{4}$	Storage Tech.	444,000	15$\frac{1}{8}$	−1$\frac{1}{4}$

INTERNATIONAL COMPANIES and FINANCE

Thomson lifts bid for F.P. Publications

By Robert Gibbens in Montreal

BIDS FOR the F.P. Publications newspaper chain have now reached almost C$159m (U.S.$137m). Thomson Newspapers, the North American newspaper publishing group of the Thomson family, has raised its offer for F.P. Publications by nearly C$20m to C$158.8m. This tops the most recent bid by financier Mr. R. Howard Webster.

Mr. Webster is already a major shareholder in F.P. Publications, which publishes seven major newspapers across Canada including the Toronto Globe and Mail. Both the Thomson and Webster offers were due to expire at 5 pm. yesterday.

It is estimated that the value of Mr. Webster's own holding in F.P. Publications would be worth more than C$27m under the Thomson offer, assuming all the stocks were tendered. However, there is still a possibility that Mr. Webster would not want to sell his stock.

Mr. Webster and another major shareholder in F.P. Publications, the Sifton family of Winnipeg, earlier were fighting a bid for F.P. Publications by the Conrad Black interests which controls the big Toronto holding company Argus Corporation. The Black group appeared to have dropped out of the running.

Although Thomson Newspapers is one of the largest newspaper holding companies in North America, it does not own any big city dailies.

Hoboken pays more

BELGIAN non-ferrous metals producer and refiner Metallurgie Hoboken-Overpelt has increased its dividend for the year ended Sept. 30 to BFr 190 compared to BFr 170, writes AP-DJ from Brussels.

HONDA'S AMERICAN ASSEMBLY PLANT

The small car drives into the U.S. big league

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

HONDA'S DECISION to set up a car assembly plant in the U.S. emphasises the stark contrast between the current fortunes of the Japanese and American motor industries.

The Japanese carmakers entered the 1980s short of manufacturing capacity. Toyota, Honda and Isuzu have all announced expansion projects for this year in Japan itself. Car plants are continuing to work at close to capacity.

In the U.S., however, 140,000 of the 757,700 hourly-paid employees at the car plants have been laid off indefinitely. Chrysler is desperately attempting to stave off collapse, and has even turned to the government for help to bale it out of trouble. Ford faces losses of $1bn on its American business. Even General Motors is having to run hard to keep up with the growing pace of legislation on fuel consumption, safety and pollution-control.

American new car customers have been snapping up smaller cars faster than the U.S. manufacturers can produce them. Importers have benefited to the extent of taking a record 22 per cent of the market, representing 2.3m cars in 1979. And some 70 per cent of these imports were made in Japan, so there has been rising pressure for the Japanese to set up plants in the U.S.

A long-time critic, Mr. Douglas Fraser, president of the United Autoworkers, commented recently: "I'm getting sick and tired of our trade relationships with Japan, where we give and give and give and they take and take and take with no reciprocity." For some time his powerful union voice has been joined by Mr. Henry Ford II.

What has really worried the Japanese, however, is that General Motors' chairman, Mr. Thomas Murphy, has now joined the outcry. Last month he publicly called on the Japanese to set up facilities in the U.S. "If they (the Japanese) are going to be as big a factor in the market as they have been, then I think it is high time they did build plants and bring some employment opportunities here."

Current thinking in the motor business is that a group needs a capacity of around 2m units a year to gain the full benefits of the economies of scale which are considerable in this particular industry.

Honda's car making capacity in Japan is around 800,000, and it plans to add 100,000 more.

A couple of years ago the group bought a site near Columbus, Ohio, to build a $25m motor cycle assembly plant, and at the same time took an option on adjoining land for a possible car plant. Honda was in no hurry, because the option did not run out until 1982.

But its progress in the U.S. has been hectic. It sold around 315,000 cars there in 1979, 40,000 more than the previous year. The group only started selling cars in America in 1970, and less than nine years later its one-millionth took the road. Honda now ranks as the third major car importer in the U.S., led only by Toyota and Nissan.

It was to be expected that if any group was to react, Honda would be the first.

Honda made its reputation with motor cycles, and has a commanding 40 per cent share of the Japanese market for these vehicles. It built its first cars only in 1962, and is still some way behind the leaders in Japan. It currently has about 8 per cent of the Japanese car market. The top three manufacturers are Toyota, with 34 per cent, Nissan (maker of Datsun cars) 29 per cent and Mitsubishi (Colt cars) 10.5 per cent.

But Honda seems determined to make the jump into the big league of car makers. The deal with BL in the UK gave one indication of this determination, for the arrangement will give it access to the European market where free expansion of Japanese car sales is blocked in most countries by various restrictions—imposed either by legislation or on a "voluntary" basis.

In all it exports about $2bn-worth of motor cycles, cars, lawnmowers and other products to the U.S every year from a turnover in 1978-79 of $4.9bn.

Honda estimated that it needed to produce at least 200,000 cars a year to make an American plant an economic proposition. The dealership network (1,800 motor cycle dealers and 725 car dealers as at mid-1979, with the car side growing almost daily) reckons it could have sold 500,000 cars last year.

Toyota and Nissan are more cautious about a move into the U.S. Nobody really knows how the Japanese will fare once these fuel-efficient cars are freely available, together with those provided from U.S. plants by European companies like Volkswagen, which has its own facility and is about to set up a second, and Renault via its manufacturing link with American Motors Corporation.

Thiess directors recommend CSR offer

By James Forth in Sydney

THIESS HOLDINGS has capitulated and recommended acceptance of the A$450m (U.S.$500m) takeover bid from the industrial and mining group CSR. Sir Leslie Thiess, chairman of the Queensland-based company, said in a letter to shareholders that the Board had reconsidered its opposition to the offer and now recommends acceptance.

The Thiess directors are to accept for their own holdings, and Sir Leslie has agreed to become president of Thiess and chairman of CSR-Thiess International (formerly CSR International). He will also join the CSR board for 12 months during the transition period while Thiess is assimilated.

CSR launched its bid late last year after a market raid which gave it a 19 per cent shareholding, but met stiff resistance from the Thiess directors, even after CSR had obtained acceptances for more than 50 per cent of the capital.

Thiess had two court actions pending, one on the trade practices aspect and another challenging the sale of a major holding by Shell to CSR.

The Thiess directors have now dropped the court action.

The Thiess directors said that they had received serious approaches from foreign companies prepared to pay higher prices, but these foundered as a result of the Federal Government's foreign investment policy.

Finally, the Thiess directors said they had been unsuccessful in obtaining a commitment from CSR on future dividend policy for those Thiess holders who decided to remain as minority holders. "Regrettably, we now consider acceptance of the offer is to be preferred to the risk and uncertainty of remaining a minority stockholder," they said.

COB in Agache-Willot move

BY TERRY DODSWORTH IN PARIS

LA COMMISSION des Operations de Bourse (COB), the regulatory authority for the Paris Stock Exchange, has stepped into the controversy over the latest accounts of the Agache-Willot group by insisting that it will give out supplementary information to shareholders itself.

The COB's move follows months of criticism of the group in financial circles which culminated an auditor's qualification of the accounts of its Boussac-Saint-Freres (BSF) subsidiary.

According to the COB, Agache-Willot failed to give shareholders, at the group's annual meeting, sufficient explanation of the auditors' criticisms.

Thus, the COB itself, which has been taking an increasingly militant line on providing information to shareholders, will be distributing its own comments on these points.

In addition, the COB is to look at the complex web of agreements between the different parts of the Agache-Willet group. It is aiming to clarify the financial impact of a variety of transactions between the divisions, and to see how they have affected the rights of shareholders.

Agache-Willot, run by four brothers, came in the public eye about 18 months ago with the takeover of the failing Boussac textiles empire. The group has grown quickly to take in interests in the packaging, engineering and fashion industries, where it controls the Christian Dior business and more recently, the loss-making Korvette stores chain in the U.S.

The absorption of the Boussac interests into the new Boussac-Saint-Freres organisation during an exceptional 18 months accounting period, has led to a wide-ranging reorganisation of the group.

Some of the financial agreements reached in this restructuring exercise will now come under examination by the COB.

On the issue of giving more information to shareholders, the COB is particularly worried by the BSF accounts. In their report, the auditors talked of certain "inadequacies" in the BSF internal accounting and said that the net profit of FFr 11m ($2.7m) on a turnover of FFr 4.6bn could not be regarded as "significant"

Sharp rise in Mitsui profit at group level

By Richard C. Hanson in Tokyo

MITSUI AND COMPANY, Japan's second largest general trading company, announced yesterday that its consolidated net profit in the half year to September 30, 1979, rose by 656 per cent to Y10.9bn ($46m) despite increased operating expenses and losses at unconsolidated subsidiaries.

Sales on a consolidated basis were up by 32 per cent over the previous year to Y4,853bn ($20bn). The two major factors behind the healthy performance were solid economic growth in the domestic economy and favourable movements in exchange rates for exports.

Domestic sales were up by 16 per cent, with increases in all commodities except textiles.

SEC modifies regulatory stance says NYSE chief

BY TERRY BYLAND

THE U.S. Securities and Exchange Commission has modified some of its regulatory attitudes over the past year, said Mr. Donald L. Calvin, executive vice-president of the New York Stock Exchange in London yesterday.

The SEC has suggested that its role is that of an "overseer" rather than an authority imposing its will through regulatory fiat. For example, said Mr. Calvin, the SEC recently reversed its approach on the question of foreign company reporting to U.S. stock markets away from its previous insistence that they meet full U.S. domestic requirements.

Mr. Calvin, with Mr. William M. Batten, chairman of the NYSE and Mr. William C. Freund, senior vice-president, was speaking at the Stock Exchange in London while on a European tour—which included attendance at a meeting of the Federation of International Stock Exchanges.

Mr. Batten congratulated the UK stock exchange on its self-regulatory system, commenting that the best regulation came from those performing the trading function. There was no statistical evidence yet that UK investors were increasing their involvement in New York since the lifting of UK foreign exchange curbs but he expected it to grow.

Mr. Freund, chief economist of the NYSE, predicted a "modest slowdown" (about 1 per cent of gross national product) in the U.S. economy in the first half of this year

Norcem predicts earnings decline

BY FAY GJESTER IN OSLO

NORCEM, the Norwegian producer of cement and building materials, with interests in offshore oil activities, expects 1979 profits to be lower than the NKr 64.7m, pre-tax, achieved in 1978.

Although group turnover increased last year by 20 per cent to NKr 2.4bn ($489m) partly reflecting the acquisition of new companies, profitability was hit by several factors. These included higher oil costs, a price freeze on the Norwegian market, and uneven demand from the domestic construction industry. Activity showed an unexpected improvement towards the end of 1979, however.

Norcem's exports of cement and clinker rose sharply last year to over 2.4m tonnes, from 1.7m tonnes a year earlier. The rise mainly reflected a big increase in deliveries to Saudi Arabia, which is expected to continue importing large amounts of cement this year.

COMMODITIES/REVIEW OF THE WEEK

Rubber price record

BY OUR COMMODITIES STAFF

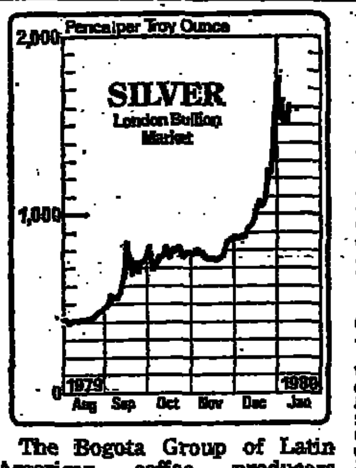
LONDON RUBBER prices climbed to all-time peaks this week largely because of nervousness about the Afghan situation. The RSS No. 1 spot quotation on the physical market jumped by 2.25 yesterday to 72p a kilo, 3.5p up on the week. The rise was attributable to heavy Russian and Chinese buying, backed by a new wave of speculative buying.

The Malaysian godown price rose 4 cents to $M3.21 a kilo and there is talk of this price rising to M$3.50 before long. Dealers pointed out that the Malaysian "wintering" season will be here soon, bringing a new cutback in available supplies.

Russian and Chinese buying was also partly responsible for the upturn in the world sugar market this week. The recent decline was maintained on Monday when the May position slipped to £170.875 a tonne but folowing a sustained recovery May sugar ended the week £3.63 up on balance at £182.05 a tonne.

This rise came despite moves by the International Sugar Organisation first to raise world sugar export quotas and then to suspend them entirely. This wil result in a free-for-all situation with no limit on the amounts of sugar exporters can sel to the world market during 1980.

Yesterday's rise in coffee prices was also attributed to Russian buying. The March futures position ended £24.5 up on the day at £1,607 a tonne, £38 higher on the week.



The Bogota Group of Latin American coffee producers decided at a meeting in Panama this week to increase its price stabilisation fund. The amount of the increase was not disclosed, but London traders said they believed the figure was $100m. The group is also reported to have agreed to set up a company to manage the fund.

Paradoxically, the lead price collapsed on the London Metal Exchange on the absence of Russian buying and fears that exports to the Soviet Union might be banned

Cash lead fell to £434, the lowest level since December 1978, before recovering marginally yesterday to £437.5 a tonne, still £72.5 down on the week.

In the U.S. producers announced more cutbacks in their domestic selling prices for lead from 52 to 50 cents a lb. This follows the recent reduction from 55 cents. Asarco announced a further cut to 48 cents yesterday. The cuts reflect the increase in stocks as a result of a drop in demand below current production levels.

U.S. copper producers also lowered their prices this week in response to a fall in the world market. Although copper on the London Metal Exchange rallied yesterday in line with gold and the strength in other commodities, cash wire bars closed £26 down on the week at £1,025 a tonne.

There was a general lack of buying interest, and nervousness about future demand and the unsettled situation in precious metals.

While gold showed signs of settling down after its recent surge upwards, silver prices continued to move erratically. So much so that in the U.S. the New York Commodities Exchange invoked emergency measures to restrict trading, especially in the spot month where it is feared that prices may be forced artificially high by a squeeze on available supplies. However, one consequence was that a major speculator, Nelson Bunker Hunt, announced he would be forced to take delivery of sizeable amounts of silver purchased on the U.S. futures markets and this brought a new wave of buying interest.

The London bullion spot quotation for silver was yesterday raised to 1621.35p a troy ounce, 158.3p up on the week.

WEEKLY PRICE CHANGES

	Latest prices per tonne unless stated	Ch'nge on week	Year ago	1979/80 High	1979/80 Low
METALS					
Aluminium	£760/770	—	£710	£770	£710
Free Markets c.i.f.	$1850/1950	—	$1,235/65	$1,900	$1,310
Antimony					
Free Market 99.6%	$3230/3275	+2.5	$2,675/750	$3,252.5	$2,712.5
Copper Cash Wire Bars	£1,025	−26.0	£824.75	£1,090.5	£769
3 months Do. Do	£1,052.5	−22	£839.25	£1,104	£783.75
Cash Cathodes	£993	−26.5	£807.5	£1,062	£744.5
3 months Do	£1,026	−24	£826.25	£1,084	£767.25
Gold per oz	$623.5	+33.5	$217.875	$630	$216.625
Lead cash §	£437.5	−72.5	£519	£701.5	£434.5
3 months §	£437	−63.5	£462.5	£642.5	£420.75
Nickel	£3,195.75	—	‡	£3,260.17	£2,320.68
Free Market c.i.f. lb.	275/310c	−5	165/76c	340c	166c
Platinum per oz	£189	−6	£152	£195	£152
Free Market per oz.	£328.00	+1.75	£174.3	£358.65	£166.6
Quicksilver (76lbs.)	$385/390	+2.5	$197/206	$387.5	$160
Silver per oz	1,621.35p	+158.3	298.25p	1,793.70p	269.4p
3 months per oz	1,664.35p	+146.55	305.25p	1,843.70p	305.7p
Tin cash	£7,390	−80	£6,825	£7,957.5	£6,320
3 months	£7,225	−100	£6,762.5	£7,620	£5,365
Tungsten Ind	$158	—	$140.39	$145.56	$127.94
Wolfram (22.04 lb)	$138/144	+7	$129.35	$144/149	$120.5
Zinc cash	£334	+8	£362.5	£408.5	£275.5
3 months	£349.5	+9	£373.5	£423.5	£286.25
Producers	$780	—	$720	$845	$720
GRAINS					
Barley					
Home Futures	£94.85	−.95	£86.05	£98.80	£85.8
Maize					
French No. 3 Yellow (Amer).	‡	—	£107.5	£120	£105.6
WHEAT					
No. 1 Red Spring	‡	—	‡	£99.0	£92.0
Am. Hard Winter	£93.00x	—	£85.75	£111.75	£83.5
Eng. Milling (new crop)	‡	—	£95.5	£107.5	£93.5
SPICES					
Cloves (g)	$4,000x	—	$3,975	$4,000	$3,850
Pepper, white	$2,825x	+100	$2,850	$2,850	$2,600
" black	$2,000x	+75	$1,850	$2,000	$1,660
OILS					
Coconut (Philippines)	$875x	—	$990	$1,175	$870
Groundnut 5%	‡	—	‡	‡	‡
Linseed, Crude	£368	−24	£372	£441	£368
Palm Malayan	$645z	−10	$635	$720	$582.50
SEEDS					
Copra (Philippines)	$575z	+5	$690	$745	$565.5
Soyabeans (U.S.)	$283.25y	−7.5	$289	$350.45	$235.2*
OTHER COMMODITIES					
Cocoa Shipment	£1,529	+25	£1,988.5	£2,041	£1,446
F'ts 2nd pen.	£1,464	+26.5	£1,918.25	£1,990.5	£1,330.5
Coffee Futures March	£1,607	+38	£1,341.5	£2,069	£1,298.5
Cotton Index	84.80c	+0.15	76.10c	84.85c	72.5c
Des. Coconut	£750	—	£740	£740	£700
Jute LJ ABW C grade	£224x	—	£520	£263	£226
Rubber kilo	72.00p	+3.5	55.75p	72p	55p
Sago Pearl	£216x	—	£183	£219	£178
Sisal No. 3 L	$895	—	$515/20	$885	$515
Sugar (Raw)	£158	+1	£94	£188	£92.5
Tapioca No. 1	£211xr	—	£167	£211	£167
Tea (quality) kilo	148p	—	158p	155p	125p
" (plain) kilo	55p	—	84p	82p	57p
Wooltops 64s Warp	279p kilo	—	265p kilo	295p kilo	262p kilo

* Nominal. ‡ Unquoted. (g) Madagascar. (x) Jan./Feb. (z) Feb. (w) Jan./Mch. (y) April.

MARKET REPORTS

BASE METALS

COPPER—Gained ground throughout the day on the London Metal Exchange. Forward metal opened in the mid-£1,020s and moved ahead to close the late kerb at £1,055, reflecting forecasts of a further fall in stocks, short-covering, chartist buying and a good arbitrage demand. Turnover 21,500 tonnes.

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Wirebars				
Cash	1014-5	+1	1024-6	+17
3 months	1041.5-2	+1.75	1052-3	+17½
Settlem't	1015	+1	—	.....
Cathodes				
Cash	981-2	+.5	992-4	+18.5
3 months	1014-5	+.5	1025-7	+16.5
Settlem't	982	.....	—	.....
U.S. Prod	—	.....	*110-12	.....

Amalgamated Metal Trading reported that in the morning cash wirebars traded at £1,013, 14, 15, three months £1,039, 40, 41, 42, 41, 40, 38, 39, 40, 41, 41.5. Cathodes, cash £980, 82, early Feb. £988.5, three months £1,015. Kerb: Wirebars, three months £1,042, 41, 42. Cathodes, £982. Afternoon: Wirebars, thre months £1,048, 47, 49, 48, 48.5, 49, 50, 51, 49, 50, 49, 49.5, 50, 51, 52. Kerb: Wirebars, three months £1,051, 50, 51, 50, 49, 50, 51, 52, 53, 54, 55, 54.

TIN—Moved ahead as forecasts of a decline in stocks coupled with good physical demand caused a widening in the backwardation and lifted forward metal from £7,150 to a close on the late kerb of £7,230. Turnover 1,180 tonnes.

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —
High Grade	£	£	£	£
Cash	7510-30	+82.5	7380-400	+155
3 months	7200-40	+25	7230-70	+50
Settlem't	7330	+110	—	.....
Standard				
Cash	7510-30	+92.5	7380-400	+155
3 months	7190-200	+82.5	7220-30	+58
Settlem't	7530	+110	—	.....
Straits E.	‡$2088	−14		.....
NewYork	—	.....		.....

Morning: Standard, cash £7,310, 20, 10, three months £7,170, 7,200. Kerb: Standard, three months £7,200. Afternoon: Standard, three months £7,210, 30, 20. Kerb: Standard, three months £7,220, 40.

LEAD—Uncertain. Forward metal fell to £424 on the early pre-market on rumours of U.S. producer price cuts but then rallied strongly to end the pre-market at £440. Thereafter the price fell away to close the late kerb at £429.5 with the U.S. producers confirming the reduced prices. Turnover 10,175 tonnes.

LEAD	a.m. Official	+ or —	p.m. Unoffic'l	+ or —
	£	£	£	£
Cash	[illegible]	[illegible]	[illegible]	[illegible]
3 months	[illegible]	[illegible]	[illegible]	[illegible]
S'ment	[illegible]	[illegible]		
U.S. Spot			[illegible]	

Morning: Cash £437, three months £440, 39, 40, 38, 37, 36, 35, 34, 33, 32. Kerb: Three months £434, 33. Afternoon: Three months £435, 36, 35.5, 35, 37, 36, 37. Kerb: Three months £437, 36, 35, 33, 30, 28, 29, 27.

ZINC—Gained ground with forward metal moving up from £337 on the pre-market to close the late kerb at £348.5. Stocks are expected to show a modest decline over the week. Turnover 3,775 tonnes.

ZINC	a.m. Official	+ or —	p.m. Unoffic'l	+ or —
	£	£	£	£
Cash	[illegible]	[illegible]	[illegible]	[illegible]
3 months	[illegible]	[illegible]	[illegible]	[illegible]
S'ment	[illegible]	[illegible]		
Prim w'sts			[illegible]	

Morning: Cash £328, 29, three months £338, 40, 41, 40. Kerb: Three months £340. Afternoon: Three months £342, 41, 42, 43, 44, 45, 46, 47, 48, 49, 48. Kerb: Three months £348, 46, 48, 45.

ALUMINIUM—Firmer. After easing back to £870 in early trading forward metal rallied strongly to close the late kerb at £888 despite forecasts of a rise in stocks. Turnover 6,050 tonnes.

Alumin'm	a.m. Official	+ or —	p.m. Unoffic'l	†+ or —
	£	£	£	£
Spot	908-10	−11	907-10	−5.5
3 months	882-3	−0.5	887-8	+9

Morning: Three months £879, 78, 77, 76, 77, 75, 76, 77, 78, 81, 82. Kerb: Three months £880, 81, 79. Afternoon: Three months £883, 82, 83, 84, 86, 87, 88. Kerb: Three months £883, 84, 85.

NICKEL—Higher. Forward metal moved up gradually throughout the day to close the late kerb at £2,880. Turnover 330 tonnes.

NICKEL	a.m. Official	+ or —	p.m. Unoffic'l	+ or —
Spot	2755-65	+22.5	2775-880	+47.5
3 months	2855-60	+17.5	2865-75	+25

* Cents per pound. ‡ $M per picul. † On previous unofficial close.

Morning: Three months £2,840, 50, 60. Afternoon: Three months £2,875. Kerb: Three months £2,870.

SILVER

Silver was fixed 117.25p an ounce higher for spot delivery in the London bullion market yesterday at 1,621.35p. U.S. cent equivalents of the fixing levels were: Spot 3,661c, up 261.5c; three-month 3,739.5c, up 296c; six-month 3,785c, up 322.1c; and 12-month 3,881.1c, up 318.4c. The metal opened at 1,505-1,595p (3,400-3,600c) and closed at 1,590-1,680p (3,600-3,750c).

SILVER per troy oz.	Bullion fixing price	+ or —	L.M.E. p.m. Unoffic'l	+ or —
Spot	1621.35p	+117	1624.0p	+98.5
3 months	1664.35p	+131	1655.0p	+80
6 months	1691.00p	+142	—	.....
12months	1751.00p	+144	—	.....

LME—Turnover 192 (137) lots of 10,000 ozs. Morning: Three months 1,650, 40, 50, 45, 50, 46, 55, 50, 40. Kerb: Three months 1,650, 40, 30, 40. Afternoon: Three months 1,60, 90, 75, 70, 80, 70, 60, 50. Kerb: Three months 1,670, 60, 70, 80.

COCOA

Initially easier futures today traded over a £25 range, closing unchanged to Thursday evening. Physicals enjoyed this most active day for some while with good interest from consumers for second and third quarters 1980 beans and products, while producers were content to make light sales for the near positions, reported Gill and Duffus.

COCOA	Yesterd'ys Close	+ or —	Business Done
March	1471-72	+4.5	1474-47
May	1483-85	+0.9	1488-46
July	1505-10	+0.5	1479-59
Sept	1522-25	+1.0	1530-12
Dec	1532-36	+1.0	1532-06
March	1553-75	+0.5	1588-66
May	1566-75	+7.0	—

Sales: 1,763 (1,133) lots of 10 tonnes.

International Cocoa Organisation (U.S. cents per pound): Daily price Jan. 10: 143.56 (145.03); Indicator price Jan. 11: 15-day average 144.29 (144.52); 22-day average 143.58 (143.97).

GRAINS

IMPORTED—Wheat CWRS No. 1, 13½ per cent, unquoted. U.S. Dark Northern Spring No. 2, 14 per cent, Jan. 98.25, Feb. 98.25, March 99.50, transhipment East Coast. U.S. Hard Winter, 13½ per cent, Feb. 93.00, March 94.00, transhipment East Coast. EEC unquoted. Maize: French Jan. 115.50, Feb. 116.50, East Coast. Barley: English Feed fob Jan. 98.50, Jan.-March 98.50, April-June 103.50, East Coast. Rest unquoted.

HGCA—Locational ex-farm spot prices. Feed barley: Eastern 94.30, E. Midlands 93.30, N. East 91.00, Scotland 90.50. Other milling wheat: E. Midlands 98.80, N. East 97.00.

LONDON GRAIN FUTURES—The market opened 20 higher because of the EEC barley tender but shipper sellers appeared and the market collapsed on reports of the suspension of exports to Poland, USSR and East Germany and the rest of the trade evolved around switches as traders were too confused to trade. After various fluctuations the market closed between 15-25 points lower on old crop wheat and between 15 up to 30 lower on old crop barley. New crops saw commercial buying and closed between 10-20 points higher in fair volume, reported Acli.

	WHEAT		BARLEY	
M'nth	Yest'rdays close	+ or —	Yest'rdays close	+ or —
Jan.	94.45	+0.20	91.45	+0.15
Mar.	98.15	+0.15	94.65	−0.25
May.	102.60	+0.30	98.60	−0.40
Sept.	97.05	+0.80	93.90	+0.10
Nov.	100.65	+0.10	97.60	+0.10

Business done—Wheat: Jan. 95.10-94.30, March 98.75-97.90, May 103.35-102.50, Sept. 97.05-97.00, Nov. 100.75-100.65. Sales: 242 lots of 100 tonnes. Barley: Jan. 91.70-91.15, March 95.50-94.75, May 99.90-98.90, Sept. 94.00-93.90, Nov. 97.70-97.60. Sales: 410 lots of 100 tonnes.

COFFEE

After opening slightly lower Robustas moved higher on further short-covering ahead of the weekend and with sellers somewhat nervous and content to await better levels the market gathered momentum to register gains of 15-25 during an active day. In the afternoon a steady tone was maintained for most of the session with good trade and commission house buying prompted a further advance towards the close, reported Drexel Burnham Lambert.

COFFEE	Yesterday's Close	+ or —	Business Done
	£ per tonne		
January	[illegible]	[illegible]	[illegible]
March	[illegible]	[illegible]	[illegible]
May	[illegible]	[illegible]	[illegible]
July	[illegible]	[illegible]	[illegible]
Sept	[illegible]	[illegible]	[illegible]
Nov	[illegible]	[illegible]	[illegible]
January	[illegible]	[illegible]	[illegible]

Sales: 4,296 (3,930) lots of 5 tonnes.

ICO Indicator prices for Jan. 10 (cents per pound): Other Mild Arabicas 176.67 (175.67). Robustas ICA 1976 165.00 (164.00). ICA 1968 165.25 (164.25). Unwashed Arabicas 213.00 (same). Comp. daily ICA 1968 185.36 (185.78).

RUBBER

The London physical market opened steady, with good all-round demand throughout the day, closing on a firm note. Lewis and Peat reported a Malaysian godown price of 321 (317) cents a kg (buyer, February).

No. 1 R.S.S.	Yest'rdays Close	Previous Close	Business Done
Feb.	[illegible]	[illegible]	[illegible]
Mar.	[illegible]	[illegible]	[illegible]
Apr-Jne	[illegible]	[illegible]	[illegible]
Jly-Sept	[illegible]	[illegible]	[illegible]
Oct-Dec	[illegible]	[illegible]	[illegible]
Jan-Mar	[illegible]	[illegible]	[illegible]
Apr-Jne	[illegible]	[illegible]	[illegible]
Jly-Sept	[illegible]	[illegible]	[illegible]
Oct-Dec	[illegible]	[illegible]	[illegible]

Sales: 839 (385) at 15 tonnes; 51 (9) at 5 tonnes.

Physical closing prices (buyers) were: Spot 72.00p (69.75p); Feb. 70.75p (69.00p); March 71.75p (70.00p).

SOYABEAN MEAL

The market opened with gains of around £1.50 on short-covering and renewed speculative buying, reported T. G. Roddick. Further trade support gave the market steady support tone and late in session prices rose on the highs with gains of up to £2.00.

	Yest'rdy Close	+ or —	Business Done
	£ per tonne		
February	[illegible]	[illegible]	[illegible]
April	[illegible]	[illegible]	[illegible]
June	[illegible]	[illegible]	[illegible]
August	[illegible]	[illegible]	[illegible]
October	[illegible]	[illegible]	[illegible]
December	[illegible]	[illegible]	[illegible]
February	[illegible]	[illegible]	[illegible]

Sales: 162 (118) lots of 100 tonnes.

AMERICAN MARKETS

NEW YORK, January 11.

POLITICAL UNCERTAINTIES continued to spur the precious metals. Silver was locked limit up with virtually no sales offered. Gold was limit up on short-covering and speculative buying. Copper was limit or near-limit up on sympathy buying as well as on expectations of accelerated utilisation. Rumours of new funds at the disposal of the Bogota Group to support coffee prices rallied the market sharply. Arbitrage buying was behind the steady advance in cocoa while the spectacular increase in sugar resulted from a lack of followthrough selling after the I.S.O. 1980 quotas were lifted. There is less and less confidence that producing countries will ship the additional tonnage. Cotton made impressive advances after absorbing heavy profit-taking initiated by an increase in the U.S. crop estimate. Grains and soyabeans rallied on the close to register moderate gains in anticipation of further government assistance in the markets. Heavy trade and local selling in the livestock complex produced major reversals and losses, reported Heinold.

[illegible]

INDICES

FINANCIAL TIMES

Jan. 10	Jan. 9	M'nth ago	Year ago
285.41	286.98	295.59	260.78

(Base: July 1, 1952=100)

MOODY'S

Jan. 10	Jan. 9	M'nth ago	Year ago
1237.2	1236.7	1218.7	990.5

(December 31, 1931=100)

DOW JONES

Dow Jones	Jan. 10	Jan. 9	Month ago	Year ago
Spot	411.47	410.56	416.09	383.75
F'tur's	419.55	402.43	421.55	379.41

(Average 1924-25-26=100)

REUTERS

Jan. 11	Jan. 10	M'nth ago	Year ago
1683.4	1681.4	1691.5	1501.6

(Base: September 18, 1931=100)

SUGAR

LONDON DAILY PRICE (raw sugar): £169.00 (£169.00) a tonne cif for Jan.-Feb. shipment. White sugar daily price was £182.00 (same).

Sugar Pref. Comm. Con.	Yest'rdays Close	Previous Close	Business Done
	£ per tonne		
March	[illegible]	[illegible]	[illegible]
May	[illegible]	[illegible]	[illegible]
Aug	[illegible]	[illegible]	[illegible]
Oct	[illegible]	[illegible]	[illegible]

Sales: 4,473 (3,704) lots of 50 tonnes.

Tate and Lyle ex-refinery price for granulated basis white sugar was £318.70 (same) a tonne for home trade and £246.00 (£246.50) for export.

International Sugar Agreement (U.S. cents per pound fob and stowed Caribbean port). Prices for January 10: Daily price 14.93 (15.00); 15-day average 15.09 (15.09).

LONDON WHITE SUGAR—Close (in order buyer, seller, business, sales). [illegible]

MEAT/VEGETABLES

MEAT COMMISSION—Average fatstock prices at representative markets on January 11. GB cattle 78.56p per kg lw (−1.22); UK sheep 132.1p per kg est dcw (−7.5); GB pigs 62.9p per kg lw (−2.7).

COVENT GARDEN—Prices in sterling per package except where otherwise stated: Imported Produce: [illegible]

APPOINTMENTS

Management changes at Babcock companies

Three major management changes have been made by BABCOCK CONSTRUCTION EQUIPMENT LIMITED (BCEL), a subsidiary of Babcock International. Their objective is to maximise the opportunities created as a result of the acquisition of Allatt, Toronto, Canada. From this acquisition, BCEL has a manufacturing base in Toronto, with additional facilities in Atlanta, Georgia. There is also a plant in Singapore already making Allatt products, and it is planned to add a number of BCEL products to their programme.

Mr. P. A. Cowsill, managing director of Winget since 1972, and a member of the Babcock Construction Equipment Limited Board, takes up a new appointment as executive director with a specific responsibility for co-ordinating and accelerating this programme. He will remain a director of Winget, and Slater and England, and will continue as executive chairman of Babcock Kina, and as one of the BCEL representatives on the Board of Triplejay Equipment (Pty.) in South Africa.

Mr. G. W. Rattray has been appointed managing director of Winget and he will also join the Boards of BCEL, Slater and England and Babcock Kina. Mr. Rattray was parts and service director of Blaw Knox, another member of the BCEL Group.

Mr. C. R. Wilson, hitherto director — international operations, takes up a new appointment as director, planning and development of BCEL with responsibility for the business and product strategies of the Group.

★

FISONS horticulture division has appointed Mr. P. S. Atkins to the divisional Board as research director. He was previously head of horticulture R. and D. at Levington Research Station (Suffolk).

★

The Employment Secretary has appointed Dr. Cedric Marshall Thomas as a member of the HEALTH AND SAFETY COMMISSION. He succeeds Mr. G. W. Bone. Dr. Thomas is chairman of Brenthouse Corporation, director of TBR Minerals Engineering Consultants, and consultant to a number of small companies.

★

Following the merging of MORTON MACHINE COMPANY and GEBRÜDER LÖDIGE MASCHINENBAU GMBH, the board of directors of Morton Machine Company is: Dr. R. Lücke, Germany (chairman); Mr. J. Russell (managing); Mr. T. Fleming (secretary); and Mr. Wm. Thomson, a past managing director of Morton Machine Company who has rejoined the board in a non-executive capacity. A separate sales company has now been established in the name of Lödige-Morton. The directors are: Dr. Lüke (Germany), Mr. Russell, Mr. Fleming, and Herr F. Dominik (Germany).

★

HENRY COOKE LUMSDEN AND CO., Manchester stockbrokers with offices in London, states that subject to the approval of the Stock Exchange, Mr. J. H. Burge, Mr. P. G. Brown, Mr. F. Brummel, Mr. C. P. A. Bertie and Mr. L. P. Larthe will join the firm as associated members in London on February 25.

★

ALEXANDER HOWDEN UNDERWRITING states that Mr. R. A. Ford has been appointed underwriter of Marine Syndicate No. 836

★

Mr. Donald Reeve has been appointed personnel director of UNIGATE DAIRIES and Mr. Christopher Chamberlain technical director. Mrs. Bridget Skipwith becomes head of marketing. Mr. Maurice Eastaff has been appointed managing director of Home Counties Dairies. He is succeeded as managing director of Lea Valley Dairies by Mr. Terence Stockley.

★

Mr. Graham P. J. Burke has been appointed director and general manager of PLESSEY COMMUNICATION SYSTEMS. For the last 12 years, Mr. Burke has been with ITT business systems group and latterly was general sales manager for the whole ITT business systems group in the UK

★

Mr. A. W. Garrett has been appointed UK sales director of ANGUS FIRE ARMOUR.

★

Mr. John Robertson has been appointed deputy general manager and actuary at MGM ASSURANCE, while the following have become assistant general managers: Mr. Derrick Matthews, Mr. Howard Evans and Mr. Peter Headey.

★

Mr. John Hartley has been appointed managing director of ESI LONDON, the UK subsidiary of International Signal and Control Corporation (ISC), Lancaster, Pennsylvania, U.S.A. Sir David Checketts has joined the Board as a non-executive director.

★

Mr. Emil Fricker has been promoted from deputy general manager to general manager of forwarding agents PANALPINA WORLD TRANSPORT, Basle. Mr. Werner Ruoff has become a deputy general manager and Mr. Ernst Heierli and Dr. P. Cabernard managers.

★

MORGAN GUARANTY TRUST COMPANY of New York has promoted Mr. Karl R. van Horn to senior vice-president. He is head of international investment activities of the trust and investment division of the bank, based in London. Mr. Oliver T. Kane, Mr. Alan H. Lowe, Mr. El-Walid Nsouli and Mr. David W. H. Teague are appointed vice-presidents, while Mr. Rudolp Leuthold dents, while Mr. Rudolph Leuthold and Mr. Herbert H. Lohneiss have become assistant vice-presidents. All are assigned to the bank's London office.

★

Mr. John Hobley, formerly manager of LLOYD'S BANK INTERNATIONAL in Geneva, has been appointed manager of the Zurich branch. Mr. Peter Leuenberger has been made a deputy manager of the Zurich branch.

★

Mr. David Reeves, formerly general manager sales and systems, has been appointed sales director of ZOOM TELEVISION.

★

Mr. J. W. McRae has been appointed deputy managing director of GLANVILL ENTHOVEN (MARINE). Mr. M. R. S. J. Mackey has been made chairman of CONSOLIDATED INSURANCE BROKERS and Mr. I. A. C. Taylor has become deputy chairman of GLANVILL ENTHOVEN & CO. (NIGERIA).

★

Mr. John B. Bateup has been appointed to the Board of the RELIANCE MUTUAL INSURANCE SOCIETY.

★

Mr. Michael R. Cotterill has joined JOHNSON MATTHEY COMMODITIES as manager — physical metals. He will concentrate on expanding the company's trading and broking in physical metals.

★

Mr. Bruce Hyde has been appointed marketing director of SACCONE & SPEED. He will head the new central marketing division and will be responsible for the buying and marketing of all wines and spirits throughout the company.

★

INTERNATIONAL MEXICAN BANK has appointed Mr. J. Ahronee, Mr. O. de Baer, Mr. G. Cowen and Mr. C. Heroys to be assistant managing directors.

★

At KENNECOTT COPPER CORPORATION, Mr. Thomas D. Barrow has been elected president in addition to his present responsibilities as Kennecott's chairman and chief executive officer. He succeeds Mr. William H. Wendel, who will continue to serve as vice-chairman, and as a consultant to Kennecott.

★

Mr. R. Y. Birley, chairman of Rea Bros. (Leasing) and a director of Norplant Finance has joined the Board of CAVLAND FINANCE, another subsidiary of the Cavland Group. Mr. M. G. Briggs has been appointed general manager.

★

The British Railways Board has appointed Mr. Peter Yerbury to the Board of BRITISH RAIL HOVERCRAFT (Seaspeed), as a technical director. Chief engineer since 1974, Mr. Yerbury played a major role in the successful "stretching" of Seaspeed's two SRN 4 hovercraft to increase the passenger accommodation from 254 to 418 seats and the vehicle carrying capacity from 30 to 55 cars.

★

Mr. William S. Burns has been appointed branch manager and vice president of NATIONAL WESTMINSTER BANK'S Chicago branch. Since 1977 he has been accounts executive and vice president of the bank's San Francisco marketing office.

★

Mr. Jack Mawdsley and Mr. Charles Novotny, previously regional directors, have been appointed assistant managing directors, and Mr. Eric Kendall, general manager (commercial and surfacing) of the North-West area, has been appointed to the Board of TARMAC ROADSTONE (NORTHERN).

★

The supervisory Board of BREMER VULKAN, SCHIFFBAU UND MASCHINENFABRIK, has appointed Mr. Henner Meckel deputy member of the Board of management. He was formerly director of Motorenwerke Bremerhaven GmbH.

★

Mr. Philip Charlton, general manager of the Trustee Savings Bank of Wales and Border Counties, has been appointed to the Board of TSB TRUST COMPANY.

★

Mr. W. E. Mason, at present the under secretary in charge of the Ministry of Agriculture's food policy divisions, becomes Fisheries Secretary on February 15, in succession to Mr. J. G. Kelsey.

★

Mr. R. M. Daniels has been appointed secretary of METAL CLOSURES GROUP. He succeeds Mr. J. Cassera who remains commercial director.

★

Mr. C. S. H. Wilkins has been appointed managing director of SIMON-CROFTSHAW, Sudbury, Suffolk (a Simon Engineering company), because of the impending retirement of Mr. P. W. White. Mr. Wilkins was previously marketing director of the industrial products division of Alfa Laval. Mr. White will continue as an executive director of Simon-Croftshaw until his retirement.

★

At DOMNICK HUNTER FILTERS Mr. Colin Billiet becomes engineering director, and Mr. Mick Callum is made company secretary.

★

Mr. Richard M. Miles has been appointed managing director of SAUNDERS VALVE COMPANY, a subsidiary of Gallaher. He was formerly chairman of Fluidrive Engineering Company, a subsidiary of the Associated Engineering Group.

★

Mr. T. S. Tennent, at present deputy regional manager (UK and Europe) of the BANK OF NEW ZEALAND in London, will be returning to New Zealand in March as senior manager, marketing, at the bank's head office, Wellington. He will be succeeded by Mr. J. F. Russell, at present manager, projects, investment division, head office.

★

Mr. Walter Goldsmith, director-general of the Institute of Directors, has been appointed a non-executive director of BESTO-[illegible]L, engineering and chemical products group.

Stock Exchange dealings

Thursday, January 10	19,399
Wednesday, January 9	18,849
Tuesday, January 8	19,784
Monday, January 7	20,425
Friday, January 4	20,578
Thursday, January 3	19,955

The list below gives the prices at which bargains were done by members of the Stock Exchange and recorded in last Thursday's Stock Exchange Daily Official List. For those securities not marked in Thursday's List, we show the latest markings recorded during the previous four business days; these are distinguished by the dates shown in parentheses.

The number of dealings marked on Thursday in each section follows the name of the section. nless otherwise denoted, shares are £1 fully paid and stock £100 fully paid.

Members are not obliged to mark bargains, except in special cases, and the list cannot, therefore, be regarded as a complete record of prices at which business has been done. Bargains are recorded in the Official List up to 2.15 pm only, but later transactions can be included in the following day's Official List. The figures shown above, on the other hand, are the total number of bargains transacted in all securities up to 3.30 pm. No indication is available as to whether a bargain represents a sale or purchase. Markings are not necessarily in order of execution, and only one bargain in any one security at any one price is recorded.

‡ Bargains at Special Prices. Δ Bargains done with or between non-members. ♦ Bargains done previous day. § Bargains done with members of a recognised Stock Exchange. ♣ Bargains done for delayed delivery or "no buying-in." $A—$Australian; $B—$Bahamian; $C—$Canadian; $HK—$Hong Kong; $J—$Jamaican; $Ma—$Malayan; $Me—$Mexican; $NZ—$New Zealand; $S—$Singapore; $US—$United States; $WI—$West Indian.

BRITISH FUNDS (576)

CORPORATIONS (17)

SHORT DATED BONDS FREE OF STAMP DUTY

PUBLIC BOARDS (8)

COMMONWEALTH GOVTS. (5)

FOREIGN STOCKS (42)

STERLING FOREIGN CURRENCY BONDS

CORPORATION STOCKS—FOREIGN

BANKS (87)

BREWERIES (109)

COMMERCIAL (1,596)

A—B

C—D

E—F

G—H

I—J—K

L—M

N—O—P

Q—R—S

T—U—V

W—X—Z

ELECTRIC LIGHT (1)

FINANCIAL TRUSTS (89)

GAS (16)

INSURANCE (107)

ACTIVE STOCKS

YESTERDAY—

Stock	Denomination	No. of marks	Closing price (p)	Change on day	1979-80 high	1979-80 low
Marks & Spencer	25p	9	87	−1	134	76
LASMO	25p	8	380	+30	398	124
Vickers	£1	8	120	−1	210	98
Dalgety	£1	7	281	+12	369	247
Distillers	50p	7	207	+3	259	192
GEC	25p	7	347	+4	456	311
Grand Metropltn.	50p	7	137	—	178½	110½
Hanson Trust	25p	7	137	+5	155	98
ICI	£1	7	366	−1	415	314
Commercl. Union	25p	6	138	+2	185	119
FNFC	10p	6	11½	+0½	12	5½
Hawker Siddeley	25p	6	190	+2	278	147
Imperial Group	25p	6	76½	+1½	108	71½
Plessey	50p	6	119	+4	131	101
RTZ	25p	6	355	+7	362	226

ON THE WEEK—

Stock	Denomination	No. of marks	Closing price (p)	Change on week	1979-80 high	1979-80 low
De Beers Defd.	R0.05	48	429	−41	500	332
Cons. Gold Fields	25p	43	436	+22	436	178
Bowring (C. T.)	25p	42	140	+17	148	98
BAT Inds.	25p	40	261	+26	362	230
BP	25p	39	330	−10	406	220½
GEC	25p	39	347	+12	456	311
ICI	£1	39	366	+8	415	314
Marks & Spencer	25p	39	87	+8	134	76
Racal Electronics	25p	37	207	+17	276	168½
RTZ	25p	37	355	+15	362	226
Shell Transport	25p	34	320	—	402	278
P. & O. Defd.	£1	33	114	−2	119	71
Thorn 7pcCv. '92-9	£1	32	86½	+6	88½	77½
Grand Met.	50p	30	137	+9	178½	110½
Rustenburg Plat.	R0.10	30	256	+2	275	94

LOCAL AUTHORITY BOND TABLE

Authority (telephone number in parentheses)	Annual gross interest	Interest payable	Minimum sum	Life of bond
	%		£	Year
Barnsley (0226 203232)	14¾	½-year	1,000	2
Knowsley (051-548 6555)	14¾	½-year	1,000	1
Redbridge (01-478 3020)	14¾	½-year	200	2-3

BUILDING SOCIETY RATES

	Deposit rate %	Share accounts %	Sub'pn shares %	*Term shares %
Abbey National	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Aid to Thrift	10.85	11.37	—	—
Alliance	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Anglia Hastings and Thanet	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Bradford and Bingley	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Bridgwater	10.25	10.50	12.00	12.50 5 yrs., 12.00 4 yrs., 11.60 2½ yrs.
Bristol and West	*10.25*	*10.50*	*11.75*	—
Bristol Economic	10.25	10.50	11.75	10.75 3 months
Britannia	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Burnley	10.25	*10.50*	11.75	*12.50* 5 yrs., 12.00 4 yrs., *11.50* 3 yrs.
Cardiff	8.50	11.50	12.50	—
Catholic	10.05	10.75	11.65	— 10.95 over £5,000
Chelsea	10.25	10.50	11.75	12.50 5 years, 12.00 4 years
Cheltenham and Gloucester	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Cheltenham and Gloucester	—	11.50	—	— Premium shares including 1.00 bonus p.a. (£15,000 only)
Citizens Regency	*10.25*	*10.85*	12.05	12.85 5 yrs., 12.35 4 yrs., 11.85 3 yrs.
City of London (The)	10.50	10.80	11.80	11.85 3-yr. withdrbl. increment share
Coventry Economic	10.25	10.50	11.75	12.00 4 yrs., 11.50 3 yrs., 11.25 3 mt nt
Coventry Provident	10.25	10.50	12.50	12.00 4 yrs., 11.75 3 yrs., 11.25 2 yrs.
Derbyshire	10.25	10.50	11.75	11.01 3 months' notice
Ealing and Acton	10.25	11.00	—	11.65 2 years, £2,000 minimum
Gateway	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Greenwich	6.45	*8.85*	*10.00*	*10.85* 5 yrs., *10.35* 4 yrs., 9.85 3 yrs.
Guardian	10.25	10.75	—	11.75 3 months, £1,000 minimum
Halifax	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Heart of England	10.25	10.50	11.75	12.50 5 years, 11.00 3 months' notice
Hearts of Oak and Enfield	10.25	10.75	12.25	12.00 4 yrs., 11.75 3 yrs., 11.50 2 yrs.
Hendon	10.50	11.00	—	12.00 6 months, minimum £2,000
Huddersfield and Bradford	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Lambeth	10.25	10.75	12.00	11.55 3 months' notice, £250-£10,000
Leamington *Spa*	10.35	10.60	14.19	12.55 5 yrs., 12.30 4 yrs., 11.90 3 yrs.
Leeds Permanent	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Leicester	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Liverpool	*10.25*	10.50	11.95	*12.50* 5 years, minimum £1,000
London Goldhawk	10.25	*10.75*	12.00	11.75 3 yrs., 11.50 2 yrs., 11.25 1 yr.
Melton Mowbray	10.35	10.60	11.75	12.10 4 yrs., 11.35 2 yrs.
Mornington	10.75	11.25	—	—
National Counties	10.50	10.80	11.80	11.90 6 mth., 11.25 3 mth., min. £1,000
Nationwide	*10.20*	*10.50*	*11.75*	12.50 *5 yrs.*, 12.00 *4 yrs.*, *11.50 3 yrs.*
Newcastle Permanent	10.25	10.50	11.80	12.50 4 yrs., 11.80 3 yrs., 11.50 2 yrs.
New Cross	11.00	11.25	—	—
Northern Rock	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Norwich	10.25	10.50	12.00	11.50 3 yrs., 11.25 2 yrs., min. £500
Paddington	10.00	11.00	12.50	11.75 6 months, 11.50 3 months
Peckham Mutual	10.50	11.25	—	—
Portman	10.25	10.50	11.75	12.50 5 yrs., 11.55 6 months' notice
Principality	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Property Owners	10.25	11.00	12.25	11.55 3 months
Provincial	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Skipton	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Sussex County	10.50	10.75	12.55	12.55 5 yrs., 12.15 4 yrs., 11.75 3 yrs.
Sussex Mutual	10.50	10.85	*12.50*	*11.25-13.10 all with special options*
Town and Country	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Walthamstow	10.25	10.60	11.70	12.60 5 yr., 11.6 6 mth. not. min. £500
Wessex	10.50	11.20	—	12.20 6 mths. not. WDL min. 3 yrs.
Woolwich	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.

*Rates normally *variable* in line with changes in ordinary share rates.

All these rates are after basic rate tax liability has been settled on behalf of the investor.

RULE 163 (1) (e)

Applications granted for specific bargains in securities not listed on any Stock Exchange.

RULE 163 (2) (a)

Bargains marked in securities which are quoted or listed on an Overseas Stock Exchange.

RULE 163 (3)

Bargains marked for approved companies engaged solely in mineral exploration.

(By permission of the Stock Exchange Council)

UK MONEY MARKET

Bank of England Minimum Lending Rate 17 Per cent (since November 15, 1979)

The Treasury bill rate fell by 0.0025 per cent at yesterday's tender to 15.8406, and the minimum accepted bid remained at £96.05. Bids at that level were met as to about 74 per cent and above in full. The £300m bills on offer attracted bids of £548.29m *and all bills offered* were allotted. Next week a further £300m will be on offer replacing a similar amount of maturities.

Thursday's exhaustion of the long tap proved to be the principal factor in causing a con*siderable shortage of credit in* the money market yesterday. This prompted the authorities to buy a large amount of Treasury bills both from the discount *houses and banks, some of which* are for resale at a future date, and a small number of corporation bills on a similar basis. They also lent a moderate amount to four or five houses at MLR for repayment on Tuesday. Total help was termed as extremely large. The repayment date was technical in as much as credit promises to be scarce enough on Monday *owing* to the sell out of the short dated tap stock, estimated at up to £900m.

There were no factors in the markets favour, and apart from the settlement of gilt sales, the market was faced with a moder*ate excess of revenue transfers* over Government disbursements

In the interbank market the tight conditions pushed weekend money up to 60 per cent

EXCHANGES AND BULLION

Trading was reasonably quiet ahead of the weekend in currency markets yesterday, with *the dollar showing a slight* improvement against most currencies, and sterling remaining *quietly firm. There* was no real interest in the market, and while the dollar retained a softish undertone, possible support from the U.S. Federal Reserve Bank helped it to finish firmer against the D-mark at DM 1.7210 com*pared with DM 1.7165* on Thursday, and SwFr 1.5830 from SwFr 1.5790 in terms of the Swiss franc. Against the Japanese yen it rose to Y236.00 from Y235.70. On Bank of England figures, its trade weighted index rose to 84.4 from 84.3.

Sterling opened at its lowest *level* for the day against the dollar at $2.2525-2.2535, but rose to touch $2.2605-2.2615 before coming back to $2.2600-2.2610 at noon. With the dollar improving during the afternoon, the pound *fell back to $2.2565 at one point,* but finished at $2.2570-2.2580, a loss of just 20 points from Thursday. Sterling's overall improvement was reflected in its trade weighted index, which rose to 71.0 from 70.9, having stood at *71.0 at noon and 70.9 in the* morning.

Gold reversed the easier trend of the past few days and rose by $23 an ounce to finish at $621-626, with the best level of the day around the afternoon fix of $623.00.

THE POUND SPOT AND FORWARD

Jan. 11	Day's Spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	2.2525-2.2625	2.2570-2.2580	0.50-0.40c pm	2.39	1.40-1.30 pm	2.39
Canada	2.6240-2.6340	2.6280-2.6290	0.85-0.75c pm	3.65	1.92-1.82 pm	2.84
Nethlnd.	4.27-4.30	4.28-4.29	2½-1½c pm	5.60	5½-4½ pm	4.67
Belgium	62.90-63.25	63.00-63.10	17-7c pm	2.28	37-27 pm	2.03
Denmark	12.09½-12.16½	12.11¼-12.12¼	2¼-¼ore pm	1.73	½-2½ dis	−0.49
Ireland	*1.0480-1.0530*	*1.0515-1.0525*	*0.01-0.11p dis*	*−0.68*	*0.15-0.25dis*	*−0.78*
W. Ger.	3.86½-3.89½	3.88¼-3.89¼	3¼-2¾pf pm	9.66	8½-7½ pm	8.23
Portugal	111.50-112.30	111.90-112.20	5-55c dis	−3.21	40-140 dis	−3.21
Spain	148.60-149.30	149.00-149.10	10-60c dis	−2.82	55-155 dis	−2.82
Italy	1,811-1,817	1,813½-1,814½	5-7 lire dis	−3.97	15½-18½ dis	−3.75
Norway	11.07½-11.13	11.08-11.09	6¼-4¼ore pm	6.22	15-13 pm	5.05
France	9.06½-9.11½	9.09½-9.10½	3¾-2¾c pm	4.28	7-6 pm	2.86
Sweden	9.33-9.36½	9.34-9.35	4¼-2¼ore pm	4.17	9½-7½ pm	3.64
Japan	528-536	532½-533½	3.80-3.50y pm	8.22	11.00-10.70pm	8.14
Austria	27.80-27.95	27.85-27.90	22-12gro pm	7.32	58-48 pm	7.60
Switz.	3.55½-3.58½	3.57-3.58	4-3c pm	11.75	10-9 pm	10.63

Belgian rate is for convertible francs. Financial franc 64.95-65.05. Six-month forward dollar 2.20-2.10c pm, 12-month 4.10-4.00c pm.

GOLD

	January 11		January 10	
Gold Bullion (fine ounce)				
Close	*$621-626*	*(£275¼-277¾)*	*$598-603*	*(£264¾-277¼)*
Opening	$603-608	(£267¼-269¾)	$602-607	(£266-268½)
Morning fixing	$610	(£269.732)	$608.25	(£268.484)
Afternoon fixing	$623	(£275.969)	$602.85	(£266.783)
Gold Coins				
Krugerrand	$637-643	(£281½-284½)	$615-620	(£272-275)
Mapleleaf	$637-643	(£281½-284½)	$615-620	(£272-275)
New Sovereigns	$160-162	(£70¾-71¾)	$155-157	(£68½-69½)
King Sovs.	*$177-179*	*(£78¼-79¼)*	$174-176	(£76½-78½)
Victoria Sovs.	$177-179	(£78¼-79¼)	$174-176	(£76½-78½)
Fr20 Napoleon	FFr610-620	(SFr238-243)	FFr545-570	(SFr213-223)
50 pesos Mexico	$771-776		$760-770	
100 Cor. Austria	$608-613		$580-590	
$20 Eagles	$715-720		$702-707	
$10 Eagles	$385-405		$385-405	
$5 Eagles	$315-360		$281-300	

EXCHANGE CROSS RATES

Jan. 11	Pound Sterling	U.S. Dollar	Deutschem'k	Japan'se Yen	French Franc	Swiss Franc	Dutch Guild'r	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1.	2.258	3.888	533.0	9.100	3.575	4.285	1814.	2.629	63.05
U.S. Dollar	0.443	1.	1.722	236.1	4.031	1.584	1.898	803.7	1.164	27.93
Deutschemark	0.257	0.581	1.	137.1	2.341	0.920	1.102	466.7	0.676	16.22
Japanese Yen 1,000	1.876	4.235	7.294	1000.	17.07	6.707	8.039	3404.	4.932	118.3
French Franc 10	1.099	2.481	4.272	585.7	10.	3.929	4.709	1994.	2.888	69.29
Swiss Franc	0.280	0.631	1.087	149.1	2.545	1.	1.199	507.5	0.735	17.64
Dutch Guilder	0.233	0.527	0.907	124.4	2.124	0.834	1.	423.4	0.613	14.71
Italian Lira 1,000	0.551	1.244	2.143	293.8	5.016	1.971	2.362	1000.	1.449	34.75
Canadian Dollar	0.380	0.859	1.479	202.8	3.462	1.360	1.630	690.2	1.	23.99
Belgian Franc 100	1.586	3.580	6.166	845.4	14.43	5.670	6.796	2877.	4.169	100.

LONDON MONEY RATES

Jan 11 /1980	Sterling *Certificate* of deposit	*Interbank*	Local *Authority* deposits	Local Auth. *negotiable* bonds	Finance *House* Deposits	*Company* Deposits	Discount *market* deposits	*Treasury* Bills ⊕	Eligible *Bank* Bills ⊕	Fine *Trade* Bills ⊕
Overnight	—	16¾-60	—	—	—	17¾	16-17	—	—	—
2 days notice	—	—	17-17¼	—	—	—	—	—	—	—
7 days or 7 days notice	—	17⅛-17⅜	17⅛-17¼	—	17⅜	17⅛-17¾	16½-17	—	—	—
One month	17¼-16⅞	17⅛-17¼	16⅞-17	18-17¾	17⅜	17¼-17⅛	16½-16⅝	15⅞-15¾	17⅛-17¼	17⅜
Two months	17¼-16⅞	17⅛-17¼	—	17⅜-17	17⅜	—	16½	15⅞-15¾	16⅞-16¾	17⅛
Three months	*16¾-15¼*	*16⅞-17*	*16⅞-17*	*17⅛-15⅝*	*17⅜*	17⅛-17⅜	16¼	15¾	16½-16⅝	16⅞
Six months	16⅛-16	16-16	16⅛-16½	16⅛-15⅞	16⅛	—	—	—	15⅞	16⅛
Nine months	15¾-15¾	15⅝-15½	—	16-15⅝	16⅛	—	—	—	—	—
One year	14⅞-14¾	15-15⅛	15½	15⅜-15⅛	15⅞	—	—	—	—	—
Two years	—	—	15⅜-15½	—	—	—	—	—	—	—

Local authorities and financial houses seven days' notice others seven days fixed. *Long-term local authority mortgage rates nominally three years 15¾-15½ per cent; four years 15¾-15⅝ per cent; five years 15¾-15⅝ per cent. ⊕ Bank bill rates in table are buying rates for prime paper. Buying rates for four-month bank bills 16⅜-16¼ per cent; four-month trade bills 16¾ per cent

Approximate selling rates for one-month Treasury bills 15¾-15$\frac{23}{32}$ per cent; two-month 15$\frac{23}{32}$-15¾ per cent; three-month 15$\frac{11}{16}$ per cent. Approximate rates for one-month bills 17$\frac{1}{16}$-17⅛ per cent; two-month 16¾-16$\frac{13}{16}$ per cent; three-month 16⅝-16½ per cent: one-month trade bills 17¼ per cent; two-month 16⅞ per cent and three-month 16¾ per cent.

Finance Houses Base Rates (published by the Finance Houses Association) 17 per cent from January 1, 1980. Clearing Bank Deposit Rates for sums at seven days' notice 15 per cent. Clearing Bank Rates for lending 17 per cent. Treasury Bills: Average tender rates of discount 15.8406 per cent.

CURRENCY MOVEMENTS

Jan. 11	*Bank of* England Index	*Morgan* Guaranty changes %
Sterling	71.0	−35.2
U.S. dollar	84.4	−8.7
Canadian dollar	80.9	−16.9
Austrian schilling	158.2	+84.3
Belgian franc	115.5	+13.9
Danish kroner	109.4	−2.4
Deutsche mark	158.7	+46.6
Swiss franc	204.6	+83.1
Guilder	126.5	+20.6
French franc	102.5	−5.4
Lira	55.0	−49.8
Yen	119.3	+18.3

Based on trade weighted changes from Washington agreement December, 1971 (Bank of England Index=100).

EURO-CURRENCY INTEREST RATES

The following nominal rates were quoted for London dollar certificates of deposit: one month 13.95-14.05 per cent; three months 13.95-14.05 per cent; six months 13.90-14.00 per cent; one year 12.80-12.90 per cent.

Jan. 11	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	West German Mark	French Franc	Italian Lira	Asian $	Japanese Yen
†Short term	16⅝-16½	13⅞-14⅛	12½-13½	10½-10¾	¾-1	7⅞-8⅛	11¾-12	15½-18½	—	4⅞-7⅞
7 days' notice	16⅞-17	13⅞-14⅛	12½-13½	10½-10¾	1⅝-1⅞	8-8⅛	12-12¼	20-22¼	13⅞-14	6¾-7⅞
Month	17-17¼	15$\frac{1}{16}$-15$\frac{3}{16}$	13$\frac{13}{16}$-14$\frac{1}{16}$	11¾-12	4$\frac{11}{16}$-4$\frac{15}{16}$	8⅛-8¼	12⅝-12⅞	20¾-22¾	15$\frac{1}{16}$-15$\frac{3}{16}$	7⅝-8
three months	16¾-16⅞	14$\frac{1}{16}$-14$\frac{3}{16}$	13$\frac{7}{16}$-13$\frac{11}{16}$	11½-11¾	5$\frac{5}{16}$-5$\frac{9}{16}$	8$\frac{5}{16}$-8$\frac{7}{16}$	13⅜-13⅝	19¾-20¾	14⅛-14¼	8-8⅜
six months	16⅜-16½	14-14¼	13⅜-13⅝	11⅜-11⅝	5$\frac{5}{16}$-5$\frac{9}{16}$	8⅜-8½	13⅝-13⅞	19-20	13$\frac{15}{16}$-14$\frac{1}{16}$	8⅛-8⅜
one year	16¼-15⅜	12⅞-13⅛	12⅝-13	10¾-11	5$\frac{5}{16}$-5$\frac{9}{16}$	8¼-8⅜	13⅝-13⅞	18-20	12⅞-13	7⅞-8⅛

Long-term Eurodollar two years 12$\frac{5}{16}$-12$\frac{9}{16}$ per cent; three years 11$\frac{15}{16}$-12$\frac{3}{16}$ per cent; four years 11$\frac{13}{16}$-11$\frac{15}{16}$ per cent; five years 11⅝-11⅞ per cent; nominal closing rates. Short-term rates are call for sterling, U.S. dollars and Canadian dollars; two-day call for guilders and Swiss francs. Asian rates are closing rates in Singapore.

EMS EUROPEAN CURRENCY UNIT RATES

	ECU central rates	Currency amounts against ECU January 11	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc	39.7897	40.3946	+1.52	+1.42	±1.53
Danish Krone	7.72336	7.76502	+0.54	+0.44	±1.64
German D-Mark	2.48208	2.48588	+0.15	+0.05	±1.125
French Franc	5.84700	5.82955	−0.30	−0.40	±1.3567
Dutch Guilder	2.74362	2.74379	+0.01	−0.09	±1.512
Irish Punt	0.668201	0.673749	+0.83	+0.73	±1.668
Italian Lira	1157.79	1162.66	+0.42	+0.42	±4.08

Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

OTHER MARKETS

Jan. 11	£	$		£ Note Rates
Argentina Peso	3674-3694	1625-1635	Austria	27.75-28.00
Australia Dollar	2.0300-2.0320	0.8995-0.9000	Belgium	64.80-65.30
Brazil Cruzeiro	98.35-99.35	43.55-44.00	Denmark	12.10-12.17
Finland Markka	8.33-8.34	3.6910-3.6930	France	9.08-9.14
Greek Drachma	85.976-87.832	37.95-38.15	Germany	3.87½-3.90
Hong Kong Dollar	11.05-11.07¼	4.9060-4.9080	Italy	1835-1900
Iran Rial	n/a	n/a	Japan	533-538
Kuwait Dinar (KD)	*0.607-0.617*	*0.2716-0.2717*	*Netherlands*	*4.27½-4.30*
Luxembourg Frc.	63.00-63.10	27.93-27.95	Norway	11.10-11.17
Malaysia Dollar	4.9125-4.9235	2.1840-2.1850	Portugal	110-119½
New Zealand Dlr.	2.2785-2.2805	1.0095-1.0105	Spain	148¾-156¾
Saudi Arab. Riyal	7.52-7.62	3.3605-3.3615	Switzerland	3.55½-3.58½
Singapore Dollar	4.8615-4.8725	2.1610-2.1620	United States	2.255-2.264
Sth. African Rand	1.8546-1.8555	0.8215-0.8220	Yugoslavia	48-51

Rate given for Argentina is free rate.

U.K. CONVERTIBLE STOCKS 11/1/80

Statistics provided by *data STREAM International*

Name and description	Size (£m)	Current price	Terms*	Con-version dates	Flat yield	Red. yield	Premium† Current	Premium† Range‡	Income Equ.§	Income Conv.¶	Income Diff.♡	Cheap(+) Dear(−)◇ Current
Bank of Ireland 10pc Cv. 91-96	1.20	147.00	47.6	77-81	6.9	4.8	−11.0	−11 to −4	0.0	13.8	8.4	+19.4
British Land 12pc Cv. 2002	7.71	204.00	333.3	80-97	6.0	4.7	− 4.4	− 6 to 12	0.0	90.8	42.6	+46.9
Hanson Trust 6½pc Cv. 88-93	3.38	73.00	57.1	76-81	9.1	10.5	− 3.9	− 4 to 14	6.0	6.2	0.2	+ 4.2
Slough Estates 10pc Cv. 87-90	5.50	183.00	187.5	78-86	5.5		− 2.4	− 6 to 9	36.2	42.5	3.4	+ 5.8
Slough Estates 8pc Cv. 91-94	24.88	98.00	78.0	80-91	8.2	8.3	25.6	21 to 28	25.3	49.1	30.4	+ 4.8
Thorn Electrical 5pc Cv. 90-94	*1.73*	*85.00*	*29.1*	*75-80*	6.0	6.9	− 0.6	−10 to 26	1.6	2.5	1.0	+ 1.6
Ultramar 7pc net R.Cv.Pfd.	12.59	2.06	0.5	76-83	4.8		− 5.9	−11 to 3	25.1	24.6	− 0.2	+ 5.7
Wilkinson Match 10pc Cv. 84-98	11.10	74.50	40.0	76-83	13.5	13.9	16.4	16 to 41	20.1	28.2	12.6	− 3.8

* Number of ordinary shares into which £100 nominal of convertible stock is convertible. † The extra cost of investment in convertible expressed as per cent of the cost of the equity in the convertible stock. ‡ Three-month range. § Income on number of ordinary shares into which £100 nominal of convertible stock is convertible. This income, expressed in pence, is summed from present time until income on ordinary shares is greater than income on £100 nominal of convertible or the final conversion date whichever is earlier. Income is assumed to grow at 10 per cent per annum and is present valued at 12 per cent per annum. ¶ Income on £100 of convertible. Income is summed until conversion and present valued at 12 per cent per annum. ♡ This is income of the convertible less income of the underlying equity expressed as per cent of the value of the underlying equity. ◇ The difference between the premium and income difference expressed as per cent of the value of underlying equity. + is an indication of relative cheapness. − is an indication of relative dearness.

New Government stock runs out in first-day dealing
Gilts buoyant and £2¼ higher despite late reaction

Account Dealing Dates
Options

*First Dealings	Declarations	Last Dealings	Account Day
Dec. 28	Jan. 10	Jan. 11	Jan. 21
Jan. 14	Jan. 24	Jan. 25	Feb. 4
Jan. 28	Feb. 7	Feb. 8	Feb. 18

* "New time" dealings may take place from 9.30 am two business days earlier.

An even heavier inflow of investment funds exhausted official supplies of yet another Government stock yesterday, the second in less than 24 hours. Attention was riveted on the Gilt-edged market when dealings were due to begin in the new short tap stock, **Exchequer 14 per cent 1984**, and it was soon obvious that demand was more than sufficient to take up the whole of the £1.1bn issue.

The Government broker sold his supplies at 97, against Thursday's tender price of 96½, and the rationing of buying orders to 50 per cent of the total consideration suggested that over £1.5bn had been put up for the stock. Exhaustion of the issue before it operated as a tap gave a strong injection of confidence to the market as a whole.

Enjoying the freedom from a tap, longer-dated Gilts surged forward and, in the absence of an announcement regarding replacement issues, established gains stretching to 2¼ points before reacting in the very late trade. The recently-exhausted long tap **Treasury 14 per cent 1998-2001**, which ran out on Thursday at 96¼, touched 99½ prior to settling a net 1⅞ up at 98⅜.

Short-dated stocks were less spectacular, rarely gaining more than a half-point before meeting with profit-taking and other general selling which pared rises to minimal proportions. Overseas attempts to purchase **War Loan 3½ per cent** were largely unsuccessful because of stock shortage and, in thin trading, the price jumped nearly a point more to 31. News of the temporary release of special deposits with effect from next Wednesday came too late to affect sentiment.

Leading shares were bought in anticipation of the Gilt market opening strongly, but interest was insufficient to maintain the firmness and the gains of a few pence were gradually eroded. After the official close, however, values improved again and the FT 30-share index ended a net 4.4 higher at 435.2, after having a rise of 5 points at 10 am whittled down to a mere 0.3 at the 3 pm calculation; on the week, the index registered a gain of 21.3—its biggest rise since last March.

Southern Rhodesian bonds improved before and after the statement regarding Rhodesia's sterling debt obligations. The 2½ per cent 1965-70 stock was particularly outstanding at £120, up 8 ponts.

Traded options ended the Account in active mood with 1,007 deals recorded for a week's average of 624. Much of the business was transacted in the soon-to-expire January series, with **Land Securities** well to the fore with 301 trades.

Black and Decker staged a quiet London debut; from an opening level of £10¼, the shares touched £10½ before settling at £10⅜. Among other recently issues equities, Cape influences prompted a useful demand for energy stock **SASOL** which put on 13 to 175p, after 180p.

Discounts good

Reflecting the buoyant performance of gilts, Discount Houses made good progress and closed with double-figure gains in places. **Union** advanced 15 to 375p and **Cater Ryder** 13 to 288p. Firmer conditions returned to the major clearing banks where **Bank of Scotland** came in for considerable support to end the day 17 higher at 305p. **NatWest** improved 7 to 342p and **Lloyds** and **Midland** were similarly better at 302p and 332p respectively.

Following Lloyd's of London's decision not to give its ruling on foreign ownership of Lloyds brokers until April, **Bowring** improved 3 afresh to 140p, making a rise of 17 since Monday's announcement from **Marsh and McLennan** that it is prepared to offer 169p per share for the company's ordinary shares. Composites closed well below the best. **Sun Alliance** ended 6 better at 530p, after 542p, while **Commercial Union** closed 2 harder at 138p, after 141p.

The majority of Building issues made progress although business again left a lot to be desired. **Magnet and Southerns** were notable for a gain of 10 to 140p; the half-yearly results are due next Wednesday. **Tunnel B** came in for support and, in a thin market, added 8 to 160p, after 164p. Housebuilders continued their recent rally with **Rush and Tompkins** adding 12 to 130p and **Fairview Estates** improving 4 to 187p. **Gough Cooper**, annual results next Tuesday, firmed 2 for a two-day gain of 8 to 76p.

ICI slipped to 365p as interest faded before settling a penny cheaper on balance at 366p. Small buying in a market none-too-well supplied with stock lifted **Fisons** 4 further to 285p for a gain on the week of 23. Fresh speculative interest prompted a gain of 12 to 96p in **Arrow** and one of 14 to 132p in **Leigh Interests**.

Kitchen Queen weak

With the exception of **Marks and Spencer**, which eased a penny to 87p on profit-taking, the Store leaders stayed firm. Still reflecting an investment recommendation, **Gussies A** rose 8 more to 370p, while **Mothercare**, 206p, and **Burton A**, 236p, gained 6 apiece. **Raybeck** added 3 to 77p; the first-half figures are due on Friday. Improvements of around 8 were commonplace in secondary issues and included **Comet Radiovision Services**, 140p, **John Menzies**, 208p, **Moss Bros.**, 263p, and **Time Products**, 66p. Against the trend, persistent offerings in an unwilling market prompted a fall of 6 to 34p in **Kitchen Queen**.

Buying interest in the Electrical sector broadened considerably, but many of the resulting gains were exaggerated by stock shortage. **Wholesale Fittings** advanced 30 to 450p, while rises of around 15 were marked against **United Scientific**, 380p, and **AB Electronic**, 148p. Awaiting next Thursday's preliminary figures, **Eurotherm** rose 12 more to 300p. **Electrocomponents**, 433p, and **Farnell**, 244p, gained 8 apiece, while **Decca** issues continued to reflect bid hopes, the Ordinary rising 5 to 355p and the A a similar amount to 320p. Among the leaders, **Thorn** finished 2 to the good at 296p following interim results in line with expectations.

Engineering leaders ended the day up to 4 better. Elsewhere, selective support often found the market short of stock. Revived demand lifted **ML Holdings** 12 to 215p, while compensation hopes left **Vosper** 7 higher at 197p. Press comment helped **Chemring** improve 16 to 116p in an extremely thin market. **CompAir** rose 3½ to 75½p for a similar reason. **Yarrow**, 310p, and **Babcock**, 105p, put on 10 and 5 respectively, while **United Engineering** advanced 6½ to 94p.

In contrast, lower half-yearly profits prompted a fall of 1½ to 12 in **Astra Industrial**.

Foods made early progress with retailers again to the fore. **J. Sainsbury** stood out, at 303p, up 10, while **Associated Dairies** added 4 to 182p and **Kwik Save** put on 7 to 115p. **Barker and Dobson** picked up 2½ to 24½p following Press comment.

Savoy A provided the only significant movement in Hotels and Caterers, firming 6 for a two-day gain of 14 to 117p as speculative buying continued.

Friedland Doggart up

Secondary issues provided numerous firm features in miscellaneous industrials yesterday. Speculative support fuelled by vague takeover suggestions helped **Friedland Doggart** rise 15 to 126p, while **De La Rue** put on a like amount to 600p on share-slimming hopes. **Diploma Investments** added 13 to 370p and **BTR**, still responding to a favourable broker's circular, rose 11 more to 302p following a re-appraisal of the preliminary results. **Sotheby's** rallied 15 to 400p, while **Myson** jumped 5½ to 59p in response to Press comment. **Dalgety**, 281p, and **Vinten**, 127p, advanced 12 and 11 respectively and North Sea oil favourites **Cawoods** and **National Carbonising** also gained ground, the former closing 8 higher at 150p and the latter 4 better at 128p. **Broken Hill Proprietary** rose 20 to 645p and fresh investment support in a thin market left **Extel** 5 better at 173p. **Powell Duffryn** revived with a 6 at 150p. The leaders took their cue from a buoyant gilt market and closed with improvements ranging to 10.

Piccadilly Theatre responded to the good half-yearly results with a gain of 5 to 85p.

Motors finished the Account with useful gains across the board. In Components, **Flight Refuelling** were again wanted and rose 6 for a week's gain of 22 at 202p. **Lucas** also improved 6, to 244p, while **Associated Engineering** closed 3 up at 75½p. Among Distributors, **Harold Perry** rose 8 to 134p, while **British Car Auction** put on 3½ to 57p. **Heron** provided a rare flat spot following the interim profits standstill and discouraging statement, ending 3 lower at 31p.

Firm immediately ahead of the announcement, **Associated Newspapers** finally closed 16 better at 285p following the results which proved to be well in excess of market expectations. **Daily Mail A** also reported higher profits and rose 25 to 478p.

Firm at the outset in sympathy with Gilt-edged, Properties paused mid-session before moving ahead again in the late dealing. Closing levels were usually the day's best with **Land Securities** and **MEPC** adding 6 apiece to 270p and 176p respectively. Keen interest was being shown in **Law Land**, 3½ to the good at 59½p, and **Laing Properties A**, 6 higher at 133p.

Lasmo advance

Much of the day's interest in Oils centred on secondary issues. Assisted by favourable Press mention, **Lasmo** moved ahead to close 30 higher at 380p. **Siebens (UK)** touched 442p before recovering to close 8 up on balance at 458p, while **Viking** rose 15 to 610p and **Clyde** 6 to 326p. Fresh support lifted **Premier** 3½ further to 46p. Among the leaders, **British Petroleum** drifted off to close 6 down at 330p following adverse Press comment. **Shell**, however, held steady at 320p.

Overseas Traders were featured by **Titaghur Jute** which jumped 17 to 47p on further reflection of the bullish statement which accompanied the interim results; the 6 per cent Preference rose 10 to 48p.

Trusts advanced on a broad front, while in Financials, renewed demand lifted **London Merchant** 6 more to 143p.

Smaller-priced issues again held the limelight among Textiles. **Stroud Riley Drummond**, with interim results due soon, advanced 6 to 42p, while **Nova (Jersey) Knit** closed 3 up at 41p for a week's gain of 16. **Tricoville** added 3 to 63p, still benefiting from acquisition news, while **Sidlaw** rose a similar amount to 80p after the preliminary results.

Support was again seen for **Bats**, 3 up at 261p for a rise on the week of 26.

Rubbers attracted support and double-figure gains were commonplace. **Sogomana** advanced 22 to 306p, while rises of 10 were recorded by **London Sumatra**, 320p, and **Castlefield**, 330p. **Barlow** jumped 12 to 100p, while **Guthrie** closed 7 up at 640p. Teas responded to Press mention with **Williamson**, 198p, **Assam Dooars**, 275p, and **McLeod Russell**, 290p all up around 8.

Golds sharply higher

The $23 surge in the bullion price to $623.50 an ounce prompted renewed heavy buying of South African Golds. The Gold Mines index advanced 14.4 more to 294.9—a two-day gain of 28.4.

The sharemarket opened modestly firmer and held steady for most of the morning in reasonably quiet trading. However, the early afternoon saw a welter of buying demand by London sources and the market picked up strongly to close with substantial gains.

Heavyweights showed rises to £2¼, as in **Amgold**, £40¾, while gains of a point and more were registered by **Randfontein**, £28½, **Vaal Reefs**, £28½, **Free State Geduld**, £21, **President Brand**, £15¾ and **Western Holdings**, £24½.

The medium and lower-priced issues were featured by **Libanon** which jumped 129 to 914p, **Kinross**, which added 23 to 498p and **South African Land**, which put on 22 to 232p.

Financials moved ahead strongly in the after-hours' trade, reflecting heavy "new time" buying. In South Africans, **Anglo American** gained 40 to 650p and **Minorco** 15 to 285p, the latter following the placing of around 5¼m shares at a price of around 270p.

London Financials were featured by **Gold Fields** which advanced 16 more to a 1979-80 high of 436p reflecting the surge in the bullion price and persistent bid rumours.

Already a firm market, Australians also surged ahead in the late trade.

The Rundle oil-shale twins advanced strongly with **Central Pacific** £2 up at high of £20¼ and **Southern Pacific** 45 firmer at a high of 760p. **MIM Holdings** showed a rise of 19 at 249p, **BH South** put on 16 to 236p and **Western Mining** 8 to 200p.

Speculative buying lifted **Paringa Mining** 6 to 76p and **Monarch Petroleum** a like amount to 26p.

The Ashton diamond venture participants eased on profit-taking, but remained well up on the week following the encouraging quarterly progress report issued on Thursday.

LONDON TRADED OPTIONS

Option	Ex'rcise price	January Closing offer	January Vol.	April Closing offer	April Vol.	July Closing offer	July Vol.	Equity close
BP	325	13	—	27	8	—	—	331p
BP	350	4	10	16	—	—	—	"
BP	390	—	—	—	—	20	5	"
BP	400	½	2	6	1	—	—	"
Com. Union	120	20	—	26	—	31	10	139p
Com. Union	140	3	30	12	35	18	—	"
Com. Union	160	½	—	4	25	—	—	"
Cons. Gold	330	102	1	114	—	128	—	427p
Cons. Gold	390	42	—	64	20	82	—	"
Cons. Gold	420	18	30	46	12	62	—	"
Cons. Gold	460	5	10	26	42	42	—	"
Courtaulds	70	7	4	12	—	13½	—	76p
Courtaulds	80	1	10	5½	25	7½	—	"
GEC	330	20	3	40	—	56	—	347p
GEC	360	2½	52	23	5	38	—	"
GEC	390	½	—	12	—	25	1	"
Grand Met.	128	9½	41	—	—	—	—	137p
Grand Met.	138	3½	5	—	—	—	—	"
Grand Met.	140	—	—	11	15	16½	2	"
Grand Met.	160	—	—	4	—	9	1	"
ICI	330	37	—	45	1	62	—	366p
ICI	360	7½	74	25	6	42	—	"
ICI	390	½	—	10½	2	24	1	"
Land Secs.	240	30	10	24	—	49	—	265p
Land Secs.	260	9½	204	27	5	35	—	"
Land Secs.	280	1½	50	15	8	22	9	"
Land Secs.	300	½	—	9	10	15	—	"
Land Secs.	330	½	—	4	—	9	5	"
Marks & Sp.	70	18	—	22	7	24	—	86p
Marks & Sp.	80	8	33	13	—	16	—	"
Marks & Sp.	90	1	19	6	4	9	3	"
Marks & Sp.	100	¼	—	3	—	5	9	"
Shell	330	—	—	22	4	30	—	319p
Totals			586		235		46	
		February		May		August		
Boots	160	16	—	26	20	30	—	173p
EMI	140	4	1	7	—	—	—	131p
Imperial Gp.	80	2	—	3½	17	5½	—	76p
Racal Elec.	200	16	30	29	—	37	—	205p
Racal Elec.	220	6½	53	18	4	27	—	"
RTZ	330	33	13	54	—	67	—	350p
Totals			97		41		—	

FINANCIAL TIMES STOCK INDICES

	Jan. 11	Jan. 10	Jan. 9	Jan. 8	Jan. 7	Jan. 4	A year ago
Government Secs.	66.80	65.83	65.34	65.30	65.07	65.09	68.08
Fixed Interest	67.58	66.46	65.29	66.29	66.06	65.94	70.33
Industrial	435.2	430.8	423.5	415.6	419.9	413.9	474.7
Gold Mines	294.9	280.5	266.5	279.2	286.4	280.2	159.7
Ord. Div. Yield	7.50	7.56	7.68	7.88	7.75	7.86	6.08
Earnings, Yld. % (full)	18.67	18.82	19.12	19.48	19.29	19.54	15.96
P/E Ratio (net) (*)	6.59	6.54	6.44	6.32	6.38	6.30	8.14
Total bargains	24,058	19,599	18,849	19,784	20,485	20,578	—
Equity turnover £m	—	101.76	93.65	88.16	71.20	82.06	75.17
Equity bargains total	—	14,537	12,312	13,708	14,116	13,679	18,338

10 am 435.8. 11 am 434.3. Noon 431.7. 1 pm 431.5. 2 pm 431.5. 3 pm 431.1.

Latest Index 01-246 8026.

*Nil=6.36.

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Industrial Ord. 1/7/35. Gold Mines 12/9/55. SE Activity July-Dec. 1942.

HIGHS AND LOWS

	1979/80 High	1979/80 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs.	75.91 (4/5)	63.30 (10/12)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	77.76 (5/5)	64.06 (15/11)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	558.6 (4/5)	406.3 (15/11)	558.6 (4/5/79)	49.4 (26/6/40)
Gold Mines	303.1 (5/1/80)	129.9 (17/4)	442.3 (22/5/75)	43.5 (26/10/71)

S.E. ACTIVITY

	Jan. 11	Jan. 10
—Daily		
Gilt Edged	166.7	134.0
Industrials	138.9	100.2
Speculative	78.1	71.1
Totals	98.4	75.4
5-d'y A'vr'ge		
Gilt Edged	143.7	136.9
Industrials	112.6	107.8
Speculative	88.0	110.4
Totals	84.5	88.5

RISES AND FALLS

	Yesterday Up	Yesterday Down	Yesterday Same	On the week Up	On the week Down	On the week Same
British Funds	77	4	7	281	30	129
Corpns. Dom. and Foreign Bds.	45	2	19	92	13	225
Industrials	529	109	765	1,748	838	4,429
Financial and Property	314	24	180	989	338	1,183
Oils	18	3	21	75	52	83
Plantations	12	5	11	56	9	75
Mines	84	13	50	262	222	251
Others	76	18	69	328	142	341
Totals	1,155	178	1,102	3,811	1,644	6,716

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

NEW HIGHS AND LOWS FOR 1979/80

The following securities quoted in the Share Information Service yesterday attained new Highs and Lows for 1979-80.

NEW HIGHS (49)

BRITISH FUNDS (3)
Treas. 15pc 1985 | Treas. 13¾pc '00-03
Treas. 14pc 1998-01

BANKS (2)
First Natl. Finance | Gibbs (A.)

BEERS (2)
Invergordon | Tomatin

CHEMICALS (2)
Arrow Chemicals | Norsk Hydro

STORES (2)
Moss Bros. | Mothercare

ELECTRICALS (3)
Ferranti | United Scientific
Perkin-Elmer 4pc

ENGINEERING (2)
Associated British | Chemring

INDUSTRIALS (2)
De La Rue | Friedland Doggart

NEWSPAPERS (1)
Associated News.

SHIPPING (2)
Common Brothers | Runciman (W.)

SOUTH AFRICANS (1)
OK Bazaars

TEXTILES (2)
Stroud Riley | Vita-Tex

TRUSTS (3)
Bremar Trust | West of England
Lond. Merch. Secs.

OIL & GAS (4)
Cambridge Pet. | Magnet Metals
KCA | Woodside

RUBBERS (2)
Barlow Holdings | Guthrie

MINES (16)
South African Land | Central Pacific
Vlakfontein | M.I.M.
Doornfontein | Southern Pacific
Elsburg | Swan Resources
Libanon | Venterspost
Charter Cons. | Loraine
Cons. Gold Fields | Welkom
Broken Hill South | Zambian Copper

NEW LOWS (20)

CHEMICALS (1)
Dixor Strand

ENGINEERING (3)
Astra Ind. | Wombwell Foundry
Clayton Son

FOODS (1)
Meat Trade Suppliers

INDUSTRIALS (5)
Braby Leslie | Maddock
Burndene | "W" Ribbons
Durapipe

MOTORS (4)
Dana Corp. | Heron Motor
Henlys | Pennine

SHIPPING (1)
British & Com'wealth

TEXTILES (2)
Highams | Mackay (Hugh)

TRUSTS (3)
Genl. Funds Conv. | Rosehaugh
Negit S.A.

OPTIONS

DEALING DATES

First Dealings	Last Dealings	Last Declaration	For Settlement
Jan. 7	Jan. 18	Apr. 10	Apr. 21
Jan. 21	Feb. 1	Apr. 24	May 6
Feb. 4	Feb. 15	May 8	May 19

For rate indications see end of Share Information Service

Calls were dealt in Howard Tenens, Premier Oil, Attock Petroleum, Coral Leisure, John Brown, Lonrho, Vickers, Shell Transport, BP, Mersey Docks Warrants, Dunlop, LRC, UDT, Burton Warrants, FNFC 9½ per cent 92/97, Barclays Bank, Courtaulds, Raybeck, Burmah, KCA, and J. E. Sanger. A put was completed in FNFC, while double options were arranged in BSG and Town and City.

RECENT ISSUES

EQUITIES

FIXED INTEREST STOCKS

"RIGHTS" OFFERS

UNIT TRUST SERVICE

OFFSHORE & OVERSEAS—contd.

FT UNIT TRUST INFORMATION SERVICE

AUTHORISED UNIT TRUSTS

Abbey Unit Tst. Mngrs. (a)
72-80, Gatehouse Rd., Aylesbury 0296 5941

Abbey Amer. Gth. Tst.	47.2	49.9	+0.4	2.00
Abbey Capital	34.1	36.8	+0.5	5.65
Abbey General	45.6	48.7	+0.7	5.56
Abbey Gilt & F.I. Tst.	99.1	105.4	+2.6	4.74
Abbey Income	39.1	42.4	+0.6	8.72
Abbey Intl. Bd. Tst.	94.7	99.2	-0.1	5.54
Abbey Inv. Tst. Fd.	32.2	35.8	+0.5	6.23
Equitas Prog. Trust	65.5	70.8	+1.0	5.94

Allen Harvey & Ross Unit Tst. Mngrs.
45, Cornhill, London EC3V 3PB. 01-623 6314.

AHR Gilt & Pref.	90.2	94.9		13.38

Allied Hambro Group (a)(g)
Hambro Hse., Hutton, Brentwood, Essex.
01-588 2851 or Brentwood (0277) 211459

Balanced Funds

Allied 1st	70.5	75.4	+1.1	6.37
Brit. Inds. Fund	64.6	69.1	+1.3	6.51
Growth & Income	38.0	40.7	+0.7	6.29
Elect. & Ind. Dev.	34.9	37.3	+0.6	5.63
Allied Capital	70.9	75.9	+1.1	5.07
Hambro Fund	109.0	116.6	+1.8	6.30
Hambro Acc. Fund	134.7	144.1	+2.2	5.59

Income Funds

High Yield Fd.	66.7	71.4	+0.7	10.08
High Income	65.2	69.8	+1.0	8.17
A. H. Eq. Inc.	37.6	40.2	+0.6	8.68

International Funds

International	27.5	29.4	+0.3	2.73

[illegible]

Discretionary Unit Fund Managers
22 Blomfield St., EC2M 7AL. 01-638 4485

Dis. Inc. Jan. 10	183.9	198.0		6.21

E. F. Winchester Fund Mngt. Ltd.
44, Bloomsbury Square. WC1A 2RA 01-623 8893

Great Winchester	17.6	19.3		6.01
Gt. Winchester O'seas	19.6	21.8		2.52

Emson & Dudley Tst. Mngmt. Ltd.
28b Albemarle St., W1. 01-493 3211

Emson Dudley Tst.	69.6	74.4		6.00

Equity & Law Un. Tr. M. (a)(b)(c)
Amersham Rd., High Wycombe. 0494 33377

Equity & Law	71.0	74.7	+1.3	5.27

Fidelity International Management Ltd.
62-63, Queen St., London, EC4R 1AD. 01-248 4991

American	25.6	27.0	+0.8	1.0
Fixed Interest	24.4	25.7	+0.3	13.0
Growth + Income	27.4	28.9	+0.5	8.26
Special Sits.	25.8	27.2	+0.4	3.0

James Finlay Unit Trust Mngt. Ltd.
10-14, West Nile Street, Glasgow. 041-204 1321

J. Finlay Internat'l	26.1	28.1		2.22
Accum. Units	31.7	34.1		2.22
J. Finlay High Income	31.8	34.2		9.98
J. Finlay Euro Fin.	23.4	25.2		3.58
Accum. Units	28.9	31.1		3.56
J. Finlay Fd. In. Tst.	28.4	31.1		5.89
Accum. Units	34.9	37.5		5.89

Prices on Jan. 9. Next dealing Jan. 16.

Framlington Unit Mgt. Ltd. (a)
64, London Wall, EC2M 5NQ. 01-628 5181

American	50.2	53.4		1.37
American Turnaround	50.4	53.6		2.00
Capital Tst.	49.0	52.0	+0.8	5.22
(Accum. Units)	49.0	52.0	+0.8	5.22
Income Tst.	34.6	36.8	+0.8	8.91
Int. Growth Fd.	42.2	44.9	+0.6	2.25
(Accum. Units)	44.6	47.4	+0.8	2.25

[illegible]

INSURANCE PROPERTY BONDS

[illegible]

OFFSHORE & OVERSEAS FUNDS

[illegible]

Continued on previous page

FT SHARE INFORMATION SERVICE

BRITISH FUNDS

1979-80 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
		"Shorts" (Lives up to Five Years)				
99⅝	95⅞	Treasury 9pc 1980‡‡	99¹⁄₁₆	+¹⁄₁₆	9.09	15.86
99⅝	95⅛	Treasury 9½pc '80‡‡	98¹⁄₁₆	......	9.69	15.43
97	92¼	Treasury 3½pc '77-80	96⅝	......	3.62	11.90
97⅜	92⅝	Funding 5¼pc '78-80‡‡	96⅞	......	5.42	13.03

Five to Fifteen Years

Over Fifteen Years

Undated

INTERNATIONAL BANK

CORPORATION LOANS

COMMONWEALTH & AFRICAN LOANS

LOANS

Public Board and Ind.

Financial

1979-80 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
103¾	96	FFI 13pc 1981	97¾	+¼	12.95	15.37
108¾	94	Do. 14pc '83	95¾	+¼	14.69	15.63
86½	77½	ICFC 5½pc Deb. '80-82	81½	+½	6.89	14.86
85	69	Do. 6¼pc Db. '81-84	72½	+½	8.76	14.50
99	79½	Do. 10¼pc Uns.Ln. '86	82½xd	+1	12.72	15.00
99	77	Do. 11pc Uns.Ln. '88	81xd	+½	13.58	14.70
101½	80	Do. 11¾pc Uns.Ln. '90	83xd	+1	14.15	15.10
72½	54½	Do. 7¼pc ADeb. '89-92	57	+½	12.97	15.10
69	51½	Do. 7¼pc A Db. '91-94	51½	−5	13.18	14.90
67½	64	Do. 9pc 'A' '91-94	67½	+½	13.96	15.10
78½	61½	Do. 8¾pc Ln. '92-97	65½	+½	14.44	15.10
102	85	Do. 12¼pc Uns. Ln. 1992	89½	+⅝	14.48	—

FOREIGN BONDS & RAILS

AMERICANS

CANADIANS

BANKS AND HIRE PURCHASE

1979-80 High	Low	Stock	Price	+ or −	Div. Net	Cvr	Y'ld Gr's	P/E
110	59	Clive Dis'nt 20p	74	+6	5.33	—	10.3	—
224	121	Cont'l Aus. ($A1)	131	−2	Q18c	3.8	7.0	4.7
*£17	900	Com'zbk DM 10	906xr	+6	Q26.6%	—	7.7	—
£18½	900	C'hgn.Hbk.Kr100	975	......	Q12%	—	11.4	—
41	20	Corinthian 10p	37	+2	†1.05	5.9	4.1	4.3
£24¾	£15	Cred. France F75	£18	......	Q9.87%	—	3.6	—
11	5	Dawes (G. R.)	10	......	—	—	—	—
*£19½	£62½	Deutsche Bank DM50	£65¾	......	Q28.12%	—	5.6	—
90	55	F. C. Finance	62	−3	2.2	4.9	5.1	5.7
12	5¾	First Nat. 10p	11¼	+½	—	—	—	ϕ
4	1½	Do. Wrrts. 75-83	2¾	......	—	—	—	—
266	178	Gerrard Natnl.	220	+10	†9.12	—	5.9	—
75	38	Gibbs (A.)	72	+2	2.2	—	4.8	—
270	185	Gillett Bros. £1	195	+2	†16.95	—	12.4	—

BANKS & HP—Continued

Hire Purchase, etc.

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FOOD, GROCERIES—Cont.

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MINES

CENTRAL RAND

[illegible]

EASTERN RAND

[illegible]

FAR WEST RAND

[illegible]

O.F.S.

[illegible]

FINANCE

[illegible]

DIAMOND AND PLATINUM

[illegible]

MINES—Continued

CENTRAL AFRICAN

1979-80 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Yld Gr's
575	152	Falcon Rh.50c	565	+5	Q100c	ϕ	12.2
48	11	Rhod'n Corp. 16⅔p	42	......	0.56	6.5	1.9
260	70	Roan Cons. K4	225	+15	Q0.125	ϕ	3.4
67	26	Wankie Col. Rh.1	58	+1	Q9c	1.5	10.7
57	9	Zam.Cpr.SBD0.24	54	+1	—	—	—

AUSTRALIAN

High	Low	Stock	Price	+ or −	Div. Net	C'vr	Yld Gr's
28	18	Acmex 50c	25	......	—	—	—
17	4	ACM 20c	13	......	—	—	—
82	50	Bond Corp.	80	......	Q3.75	2.2	2.4
171	100	Bougainville 50 Toea	145	−1	†Q15c	1.0	5.4
236	84	BH South 50c	236	+16	♦—	—	—
£20½	340	Central Pacific	£20½	+2	—	—	—
318	170	Conzinc Riotinto 50c	270	......	NQ10c	2.0	1.9
36	14	Cultus Pacific N.L.	18	......	—	—	—
•38	2½	Eagle Corp. 10c	36	......	—	—	—
21½	11	Endeavour 20c	19	......	—	—	—
204	62	G. M. Kalgoorlie 25c	190	+2	Q3c	—	0.8
305	148	Hampton Areas 5p.	270	+5	3.5	2.8	1.9
75	20	Haoma Gold N.L.	33	......	—	—	—
71½	25	Metals Ex. 50c	43	+1	—	—	—

[illegible]

TINS

[illegible]

COPPER

High	Low	Stock	Price	+ or −	Div. Net	C'vr	Yld Gr's
142	56	Messina R0.50	138xd	+8	Q10c	ϕ	4.1

MISCELLANEOUS

High	Low	Stock	Price	+ or −	Div. Net	C'vr	Yld Gr's
81	54	Barymin	62	+2	—	—	—
14½	10	Burma Mines 17½p	12	......	—	—	—
380	170	Cons. Murch. 10c.	360xd	......	Q100c	ϕ	15.9
470	280	Northgate C$1	450	+35	—	—	—
362	226	R.T.Z.	355	+7	†11.5	3.4	4.6
31	12	Robert Mines	22	......	—	—	—
65	26	Sabina Inds. C$1	36	−1	—	—	—
880	470	Tara Exptn. $1	520	+10	—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on the basis of net distribution; bracketed figures indicate 10 per cent. or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution. Yields are based on middle prices, are gross, adjusted to ACT of 30 per cent and allow for value of declared distributions and rights.

- ● "Tap" Stock.
- * *Highs and Lows marked thus have been adjusted to allow for rights issues for cash.*
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- ϕ Figures or report awaited.
- †† Unlisted security.
- ¢ *Price at time of suspension.*
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividends or forecasts.
- ♦ Merger bid or reorganisation in progress.
- ♣ Not comparable.
- ♦ Same interim: reduced final and/or reduced earnings indicated.
- § Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ★ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ♦ Excluding a final dividend declaration.
- ♣ Regional price.
- ‖ No par value.

§§ *Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock.* a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q *Earnings based on preliminary figures.* s *Dividend and yield exclude a special payment.* t Indicated dividend: cover relates to previous dividend, *P/E ratio based on latest annual earnings.* u *Forecast* dividend: cover based on previous year's earnings. v Tax free up to 30p in the £. w Yield allows for currency clause. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B *Preference dividend passed or deferred.* C Canadian. E *Minimum* tender price. F Dividend and yield based on prospectus or other official estimates for 1979-80. G *Assumed dividend and yield after pending* scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1978-79. K Figures based on prospectus or other official estimates for 1979-80. M Dividend and yield based on prospectus or other official estimates for 1980. N Dividend and yield based on prospectus or other official estimates for 1979. P Figures based on prospectus or other official estimates for 1978-79. Q Gross. T Figures assumed. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xR ex capital distribution.

"Recent Issues" and "Rights" Page 26

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £500 per annum for each security

REGIONAL MARKETS

The following is a selection of London quotations of shares previously listed only in regional markets. Prices of Irish issues, most of which are not officially listed in London, are as quoted on the Irish exchange.

Albany Inv. 20p	26	......
Bertam	16	......
Bdg'wtr. Est. 50p	350	......
Clover Croft	44	+6
Craig & Rose £1	£10½	......
Dyson (R. A.) A	7	......
Fife Forge	39	......
Finlay Pkg. 5p	29	......
Graig Ship. £1	825	......
Higsons Brew	82	+2

[illegible]

IRISH

Conv. 9% '80/82	£85¾	+⅛
Nat. 9¾% 84/89	£70¼xd	+⅝
Fin. 13% 97/02	£83¾	+¼
Alliance Gas	66	......
Arnott	340	......
Carroll (P.J.)	53xd	+2
Clondalkin	85	......

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OPTIONS

3-month Call Rates

[illegible]

A selection of Options traded is given on the London Stock Exchange Report page.

FINANCIAL TIMES

Saturday January 12 1980

WOMAN OF THE WEEK

The sweet taste of triumph

BY DAVID HOUSEGO

THE SMILES that have wreathed Mrs. Indira Gandhi's face as crowds in carnival mood have this week surged through the garden of her New Delhi home are those of a woman unable to disguise her immense satisfaction.

She enjoys politics and popularity and she has certainly enjoyed proving wrong by her massive victory all those at home and abroad who had written her off. But more than that, her success has brought welcome relief from a three years ordeal in which she and her family have been under constant investigation by judicial commissions.

Mrs. Gandhi treasures as unique the relationship she has with the Indian people, and she believes that she is uniquely qualified to project the image of a strong India on the world stage. To have found herself in the dock and blackballed by many as an outlaw for putting India under the Emergency, has been a bitter experience. It has touched the springs of stubborness and gritty determination in her character so that she now sees her massive majority as a vindication for the record of her previous administration. "The only excesses she believes there were in the Emergency," declares one of her friends, "were the excesses of the stories about it."

Mrs. Gandhi is most at her

Trevor Humphries
Indira Gandhi
End of an ordeal

ease when responding to large crowds, or else at the other extreme in private conversation in the intimacy of her family circle. Both her elder son Rajiv and his Italian wife Sonia as well as Sanjay and his wife Maneka, together with her grandchildren, have been around her this week. She is at her most aloof and remote when in a large social gathering or when her will is crossed. A warm smile will snap into an abrasive stare if she feels under attack or wants to put down an opponent.

The shyness and insecurity that haunted her youth never seem far below the surface. Acting as hostess for her father Jawaharlal Nehru when he was Prime Minister she had to put up with the frosty criticism of her more erudite and urbane aunt Mrs. Vijayalaksmi Pandit—as Nehru's sister still one of her most powerful critics. Her father frowned on her marriage to Feroze Gandhi, a lawyer whom he thought below her and a Parsee to boot. When she took over as Prime Minister in 1966 the bosses of the Congress Party had little doubt that they could push her around. Over the years she has grown increasingly suspicious of those who challenge her or dissent from her—a suspicion that has probably been sharpened by the judicial inquiries against her and her family.

It is this sense of distrust and of being distrusted that makes the warmth of her relationship with Sanjay so important. She and her son will be the two most influential people in India over the next five years. Part of the reason why Sanjay is so disliked in Delhi is because though born of the Nehru family, he seems out of place in Delhi's administrative establishment. Behind the reticence is an impatient, often brash, go-getting young man.

Many consider that his mother's attachment to him has blinded her to what have been his shortcomings in the past—his lack of political judgment, his simplistic enthusiasm and the lucrative patronage he has trailed behind him. Fear of a repetition of this lies behind much of the apprehension of Mrs. Gandhi's return.

At 63 Mrs. Gandhi has already had 11 years of experience as Prime Minister. She was educated in India, Switzerland and Oxford. She dresses simply, eats sparsely and works enormously hard. Whatever her other faults, there is no denying her dedication.

Rhodesia to pay bond arrears

BY TIM DICKSON

THE AUTHORITIES in Salisbury have for the first time publicly accepted Rhodesia's commitment to pay the arrears owing to the estimated 15,000 UK holders of Southern Rhodesia bonds.

No interest or capital repayments have been made to UK residents since UDI in 1965. The overdue payments, however, totalling more than £45m, will not be made until after the election of an independent Government.

The Rhodesian Ministry of Finance, legally responsible to the interim administration headed by Lord Soames, said yesterday, "The importance of meeting debt service and arrears of capital redemption and interest is full accepted."

The statement went on, "It is equally important, however, that any scheme of arrangement agreed to is equitable both to past and present stockholders, and between UK investors and taxpayers. Such an agreement can only be attained through negotiation."

Discussions will therefore be held in London to arrange a setlement once an independent government is elected. That means that, contrary to some of the more optimistic speculation, debt service will not be resumed in the intervening period. An interest payment is due on Tuesday on one of the four current Southern Rhodesia bonds.

The stock market, meanwhile, reacted favourably to the news. Most of the 12 bonds quoted on the London Stock Exchange were up between £5 and £8 in fairly active trading, with Southern Rhodesia 2½ per cent 1965-70 £8 higher at £120.

Compensation

Southern Rhodesia bonds have had a chequered history over the past 15 years, fluctuating sharply as hopes of a settlement in Southern Rhodesia have ebbed and flowed. One jobber remembers trading 2½ per cent 1965-70 for as little as £17.

Investors, however, have steadily pushed up the prices since the beginning of the British initiative last summer in anticipation of eventual repayment moves.

As well as the repayment of arrears of capital and interest, a further important factor is the level of any compensation added by the Rhodesian Government for late payment of interest and capital.

That is a point that the Council of Foreign Bondholders, the body that will represent bondholders in the negotiations, is expected to take up.

Total Southern Rhodesia debt owed in London and accumulated since 1965, including that due to the British Government and the Commonwealth Development Corporation, amounts to £100m.

Emergency Islamic talks plan

By Our Foreign Staff

ISLAMIC Foreign Ministers are planning an emergency conference in Islamabad starting on January 26 to discuss the crisis in the Middle East and Asia resulting from the Soviet invasion of Afghanistan.

If all members accept, the meeting would bring together 42 Moslem countries, most of which have criticised the Russian intervention in a fellow Islamic state.

The Islamic Conference (which has its own permanent secretariat), last met at Foreign Minister level in Morocco when Egypt was suspended from membership, with Oman abstaining on the vote, and condemned by most participants for its peace treaty with Israel.

News of the meeting has transformed the mission by Lord Carrington, the Foreign Secretary, who arrived here today from Ankara on his tour of five conservative Islamic states vitally affected by the Soviet move.

In Oman, the small but strategically vital state that guards the southern side of the Straits of Hormuz, Lord Carrington has been greeted by two clear messages.

The first is that the Omanis want no overt military presence from the West, in bases or in U.S. or British troops. The second is that Oman, like Turkey, which the Foreign Secretary visited this week, is as concerned by the implications of the possible Balkanisation of Iran as by the direct threat that the Russians pose from Afghanistan.

Oman has apparently offered the U.S. facilities limited to refuelling and staging facilities for ships and aircraft as needed, but nothing that would require a permanent American presence.

The Omanis' particular concern is the threat posed to them by the Communist Government of South Yemen on their Western border.

However, their reaction to Lord Carrington's visit, and to the U.S. request for facilities for its proposed rapid deployment force, has been measured. While recognising the Soviet threat, and while anxious to acquire and pay for training and equipment, they would regard overt military presence on Omani soil as counter-productive.

About 150 British loan Service personnel serve with the Sultan of Oman's Armed Forces, also 400 contract personnel. Over the longer term, the plan is slowly to run down the British military presence.

Steelworkers are likely to want 20%, says Sirs

BY ALAN PIKE AND ROBIN REEVES

STRIKING STEELWORKERS were thinking in terms of a 20 per cent settlement as the price of calling off their action, Mr. Bill Sirs, general secretary of the Iron and Steel Trades Confederation, said yesterday.

He warned during a visit to Teesside picket lines that attitudes were hardening. Union leaders, he said, had been prepared to resume negotiations in return for an offer of about 13 per cent, but "if we talk in those terms now our members would not have it."

He could not see much progress in settling the dispute for a few weeks.

Officials of the Transport and General Workers' Union and the General and Municipal Workers' Union reported to the Advisory Conciliation and Arbitration Service, and Mr. Sirs will do the same on Monday.

Mr. Frank Cotton, GMWU national industrial officer, said afterwards that he did not believe ACAS would be able to intervene usefully at the moment.

A Welsh miners' conference decided in Bridgend to press ahead with plans to joint the steelworkers in a strike from January 21 in protest against the British Steel Corporation's rundown proposals and coking-coal imports.

Mr. Emlyn Williams, Welsh area president of the National Union of Mineworkers, said that the action might be postponed if the Wales TUC decided on Monday that this was the appropriate course of action.

The TUC Nationalised Industries Committee has urged the Welsh union leaders to delay their proposed action to allow time for further talks with BSC and the Government. But it has warned that unless the corporation can be persuaded to revise its plan to make 52,000 steelworkers redundant by August it will face serious consequences.

Indications are that a majority of unions in the Welsh TUC wil algree to postpone their action and set a new deadline. March 3 has been suggested.

Two leading City investment bankers join Merrill Lynch

BY MICHAEL LAFFERTY, BANKING CORRESPONDENT

MR. DAVID MONTAGU and Mr. John Craven, two of the City's best-known investment bankers, are joining Merrill Lynch, the Wall Street broking and banking group, to develop its London-based international banking division.

Mr. Montagu, 51, has been out of a job since last October when he resigned as chairman and chief executive of Orion Bank because of policy differences with Orion's six shareholder banks. In December five other senior Orion executives left to join Swiss Bank Corporation.

Mr. Craven, 39, is moving directly from the post of vice-chairman at S. G. Warburg, one of the City's most successful merchant banks, after rejoining it only nine month ago. Before that, he was group chief executive of the Credit Suisse First Boston Group, and chairman of the London investment banking subsidiary.

It was recently announced that Mr. David Scholey had been appointed joint chairman at S. G. Warburg, having previously been deputy chairman.

Mr. Montagu, who is widely credited with the expansion of Orion Bank into one of the most successful consortium banks in the City, will report to Mr. J. Arthur Urciuoli, president of Merrill Lynch International.

Mr. Urciuoli said yesterday that the new appointments demonstrated clearly "the commitment that Merrill Lynch has made to the development of its international banking and investment activities." It also demonstrated the intention to develop Merrill Lynch International as a diversified financial services group with a spread of activities in international markets

Trading profits fall

BY DAVID MARSH

THE GROSS trading profits of industrial and commercial companies not involved in North Sea oil and gas production fell sharply during the first three-quarters of last year.

Figures from the Central Statistical Office issued yesterday show a 4.8 per cent drop in profits to £10.7bn for the non-North Sea sector, net of stock appreciation, during the nine months, compared with a year earlier. With an inflation rate of about 15 per cent, this represents a fall of about 20 per cent in real terms.

On a seasonally adjusted basis, non-North Sea profits in the third quarter fell 11.6 per cent from last year to £3.46bn.

By the third quarter profits of North Sea oil companies accounted for about one-quarter of total company profits net of stock appreciation.

Gross trading profits of North Sea oil and gas companies rose 97 per cent of stock appreciation during the first nine months to £3.24bn. The continuing increase in oil prices, with a 9 per cent rise in the volume of crude oil sold, contributed to a 16 per cent increase in North Sea oil profits during the third quarter, compared with the preceding three months.

The total pre-tax income of the personal sector rose by 5 per cent during the third quarter last year. But allowing for tax and inflation, real personal disposable income was little changed in the third quarter following a rise of 1 per cent during the previous three months.

The volume of consumers' expenditure fell 4 per cent in the third quarter following the pre-Budget spending spree of the second quarter. This was the first fall in consumer spending since the second quarter of 1977.

As a result of the drop in consumer spending, the savings ratio in the third quarter seems to have risen to 17 per cent from 13 per cent in the second quarter.

Continued from Page 1

Gas

will be chosen is likely to be made known by Mr. David Howell, the Energy Secretary, when he announces financial targets for the gas industry about the end of the month.

Domestic gas prices were increased on June 1, when the Price Commission allowed a rise of 8 per cent.

It was the first increase in two-and-a-quarter years, bringing the average price per therm to about 20p.

Under the Government's proposals the price will rise to an average of about 23.50p a therm in April and to almost 26p in October—an overall rise this year of 28.7 per cent.

Non-domestic gas, sold to industrial and commercial customers, now costs 24p a therm, in addition to the standing charge of between £4.50 and £5 a quarter.

The price of these sales rose twice last year, by 11 per cent on March 31 and by a further 21 per cent on September 1.

By loading more of this year's increase on to domestic customers the Government aims to reduce what it regards as the unwarranted differentials between the prices charged to householders and those charged to industry and commerce.

Even with these latest increases gas prices will remain cheaper than other energy sources. And with rising fuel costs electricity prices are also certain to rise substantially in the spring.

Continued from Page 1

Water strike threat

before presenting the employers with an ultimatum next week.

Water workers in the National Union of Public Employees have already recommended that their executive authorise industrial action. Those in the Transport and General Workers' Union are being balloted on action and first returns indicate strong support.

The employers argued when they tabled the 13.1 per cent offer—which would raise average earnings from £81.28-£107.71 to £91.08-£114.16—that it was the most they could afford given the "severe financial regime." Union officials privately believe, though, that there is more money to come.

Mr. Newall said that delegates had considered their responsibility to the public. Other officials agreed that it would be virtually impossible to maintain supplies and services for essential users such as hospitals in a national strike.

The National Water Council last night was optimistic. It said negotiations were continuing and that the employers were available for discussion on pay conditions at any time.

It understood that the unions were still consulting their members and it was confident that they would work normally while negotiations continued.

● The GMWU yesterday formally accepted a 13-14 per cent pay offer for its local-authority manual workers. The offer, expected to be accepted soon by NUPE and the TGWU, will give increases of £5.79-£7.33 a week from last November on top of the outstanding awards from the Clegg comparability commission.

Weather

UK TODAY

MAINLY dry with early fog but sunny intervals later. Cold.

London, Cent. S., Cent. N., E., S.W., N.W., N.E. England, Midlands, Wales, Borders, SW. Scotland

Dry, freezing fog at first, sunny periods later. Max. 3C (37F).

S.E. England, E. Anglia

Fog patches, some bright intervals, sleet or snow showers. Max. 3C (37F).

I. of Man, Argyll, N. Ireland, Channel Is.

Dry, sunny intervals. Max. 5C (41F).

Rest of Scotland, Orkney, Shetland

Cloudy, scattered showers. Max. 6C (43F).

Outlook for Sunday and Monday: Dry, freezing fog patches, widespread frost.

WORLDWIDE

		Y'day midday °C	°F			Y'day midday °C	°F
Ajaccio	C	11	52	Lisbon	S	12	54
Algiers	C	11	52	Locarno	F	2	36
Amsdm.	C	−2	28	London	C	4	39
Athens	C	11	52	Luxmbg.	F	−4	25
Bahrain	C	18	64	Madrid	S	8	48
Barclna.	F	11	52	Majorca	C	12	54
Beirut	C	16	61	Malaga	S	16	61
Belfast	C	4	39	Malta	F	13	55
Belgrd.	Sn	−5	23	M'chstr	C	2	36
Berlin	C	−8	18	Melbne.	R	18	64
Biarritz	C	4	39	Mex. C.	S	20	68
Bmghm.	Fg	−1	30	Milan	F	2	36
Blackpl.	Sl	1	34	Mntreal.	C	−1	30
Bordx.	C	1	34	Moscow	Sn	−8	18
Boulgn.	Sn	−1	30	Munich	Sn	−4	25
Bristol	F	−1	30	Nairobi	S	26	79
Brussels	C	−2	28	Naples	C	9	48
Budpst.	C	−4	25	Nwcstl.	C	1	34
B. Aires	S	28	82	N. York	C	4	39
Cairo	C	19	66	Nice	C	9	48
Cardiff	Fg	−1	30	Nicosia	C	15	59
Cas'b'ca	S	15	59	Oporto	F	10	50
Cape T.	S	25	77	Oslo	Sn	−8	18
Chicago	C	1	34	Paris	C	−1	30
Cologne	Sn	−2	28	Perth	S	30	86
Cpnhgn.	C	−1	30	Prague	F	−8	18
Corfu	R	14	57	Reykjvk.	C	0	32
Dublin	R	7	45	Rhodes	F	12	54
Dbrvnk.	R	6	43	Rio J'o	C	31	88
Ednbgh.	R	5	41	Rome	C	10	50
Faro	S	16	61	Salzbrg.	Sn	−2	28
Florence	C	7	45	Singapr.	S	30	86
Frankft.	C	−2	28	Stckhm.	C	−3	27
Funchal	C	16	61	Strasbg.	S	−1	30
Geneva	F	0	32	Sydney	C	33	92
Gibrltr.	S	16	61	Tangier	S	14	57
Glasgow	R	5	41	Tenerife	C	13	55
G'rnsey	C	4	39	Tokyo	S	7	45
Helsinki	C	−4	25	Toronto	R	7	45
H. Kong	C	19	66	Tunis	C	11	52
Innsbrk.	Sn	−5	23	Valencia	S	14	57
Invrnss.	C	7	45	Venice	S	3	37
I.o.Man	R	7	45	Vienna	F	−8	18
Jersey	R	1	34	Warsaw	S	−10	14
Jo'burg.	S	23	73	Zurich	C	−2	28
L. Plms.	C	19	66				

C—Cloudy. F—Fair. Fg—Fog. R—Rain. S—Sunny. Sl—Sleet. Sn—Snow.

THE LEX COLUMN

Trigger-happy in gilt-edged

Every so often in the gilt-edged market the pile-up of investible funds becomes irresistible. A trigger—sometimes a clumpsy leap in Minimum Lending Rate, more usually an impenetrable statistic like the level of interest-bearing eligible liabilities—destroys the unstable equilibrium and the herd of institutional fund managers and bank treasurers around the City stampedes into action.

This week provided a classic example of the herd springing into motion. At 10 o'clock on Thursday morning the Government offered £1bn of a new short tap stock, Exchequer 14 per cent 1984, at a minimum price of 96½. There were few takers. Yet by 10 o'clock yesterday morning the jobbers had been deluged with orders for the stock. The Government broker could have disposed of his unsold supplies—probably some £800m worth—twice over. Sensibly, he stepped his price up to 97.

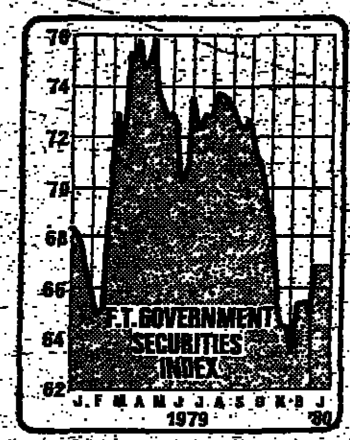
What had happened in the meantime? It is hard to be sure. The figures issued on Thursday afternoon for December's Central Government borrowing requirement were indifferent. But perhaps they were not as bad as the market had been expecting. At any rate, the jobbers decided that it had become too risk to carry on their major bear position in the long tap, Treasury 14 per cent 1998-2001. They, together with genuine investment buyers, swallowed up the £400m or so the Government broker had left. That finally triggered off the buying stampede next morning.

Longs are showing substantial gains on the week: some 2½ points for Treasury 14 per cent. But there is indigestion in the shorts; and yesterday morning's buyers of the short tap were soon regretting their haste, for the stock was showing them a small loss by the close.

It was just as well that the authorities decided not to launch a Friday afternoon tap stock. As it was, they saved up an announcement for well after hours on the release of special deposits. Tax payments at this time of year often cause the Bank of England to juggle with special deposits in order to relieve pressure on the banking system. The sale of £1.4bn of taps in short order made such a move urgent.

As usual, developments in gilt-edged have been mirrored in equities. The F.T. 30-Share Index has put on 21.3 points during the week, showing just how sensitive equity buyers are to chinks of financial light. On the industrial front, after all, there has been little to get cheerful about.

Index rose 4.4 to 435.2



The week began with some disturbing news about cost pressures on companies, with the official wholesale price indices showing that raw material costs had risen by almost 26 per cent in the year to December, whereas output prices on home sales had risen less than 16 per cent, and on exports probably by less. Yesterday, confirmation of the impact of these trends on profits came from the Central Statistical Office, with estimates for profits of industrial and commercial companies after stripping out the juicy returns in the North Sea sector (which are now well over £1bn each quarter).

Net of the North Sea and stock appreciation, profits fell by more than a tenth in the third quarter of 1979, and although not too much should be read into a single quarter's figures, the trend is unmistakable in the drop of 5 per cent taking the first three-quarters of the year. At least the final quarter of 1979 will not have suffered significantly from major strikes, and the first quarter of 1980 has so far escaped the freak bad weather (not to mention the haulage strike) that plagued the corresponding period last year. But the steel strike looms threateningly, and the cost pressures look as bad as ever.

Thorn

Once the strength of sterling and the engineering strike are taken into account, the £3m drop in pre-tax profits to £51.3m for Thorn at the halfway stage is much in line with the chairman's July forecast that the year "will not be an impressively good one." However, the main factor currently holding down the shares is not so much the profits outlook as the acquisition of EMI. The market is still waiting to see how the company will deal with the problem areas; and while disposals are now being actively considered, confidence is unlikely to return until the outline of the strategy emerges.

Profits were marginally higher in the TV rental business, while there were declines in the domestic appliances, lighting and engineering divisions. A better performance in the second half is likely to put up profits at the year-end, however, unless there is an unforeseen upset in March. With EMI making a small positive contribution before re-organisation costs, group pre-tax profits should come out at about £125m for the year for a prospective yield of 7.2 per cent and a fully-taxed p/e of 8.5.

Assoc. Newspapers

Associated Newspapers' rise in pre-tax profits from £15.5m to £40m looks rather less amazing once comparison is made on a like-for-like basis, although the underlying rise in the latest 12 months is still probably about 45 per cent. This impressive performance is marred by the company's vigorous non-disclosure policy. Associated provides no break-down of the oil, provincial newspaper and national newspaper figures, nor has it bothered to make annualised figures available. The share price jumped 5p after the announcementa nd closed 16p up at 285p.

Pre-tax profits in the latest 12-month period have probably amounted to about £25.5m, compared with £17.5m in the previous 12 months. Of this, oil probably contributed about £4m, against a deficit of £800,000 in the year to March 1978. The turnround has been helped by the conservative depreciation policy which has resulted in the early write-off of initial costs on the Argyll field. Newspapers have enjoyed buoyant advertising.

Given the increased oil prices, the current year should see a further improvement to profits of perhaps £30m for the group. The annual dividend has been raised from 5.8p to 10.5p per share net, yielding 5.2 per cent.

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